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ABSTRACT

The nature and extent of misreporting by applicants for the Basic Educational Opportunity Grant program was investigated. Types of potential program abuse were assessed, along with the accuracy of income estimates that students make on Supplemental Basic Grant applications, which are the basis for determining a student's eligibility. Attention was directed to: characteristics of a sample of 2,479 students using the Supplemental Basic Grant application in 1975-1976, types of changes made to applicants' Student Eligibility Reports between the regular and supplemental applications submitted in 1975-1976, and the kinds of applications the sample filed in 1974-1975 and 1976-1977. The supplemental application recognizes that students' previous year financial resources are not always a valid basis for predicting current financial strength and determining eligibility. Findings of the report include: applicants made failry accurate estimates of their 1975 adjusted gross income; 58 percent of the sample were dependent and 42 percent were independent students; the predominant reasons for filing 1975-1976 supplemental applications related to unemployment of the student, parent, or spouse; and less than one-fourth filed a 1974-1975 application, while almost two-thirds filed a 1976-1977 application. (SW)

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PROFILES OF 1975-76 SUPPLEMENTAL BASIC GRANT APPLICANTS

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Ms. JoAnn Kuchak, Project Director
Ms. Pamela Walters, Senior Project Analyst

Applied Management Sciences, Inc.
962 Wayne Avenue, Suite 701
Silver Spring, Maryland 20910

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Bureau of Student Financial Assistance
Division of Quality Assurance

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Author: Pamela Barnhouse Walters, Ed.M.

Project Director: JoAnn Kuchak, M.A.

Director of Data Processing: Michael Consiglio

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INTRODUCTION

Basic Educational Opportunity Grants were established in 1973 by Congress for purposes of financial assistance to postsecondary students. As part of the continual program management and review process, several interrelated studies have been conducted for the Division of Basic and State Students Grants, Office of Education, to investigate the nature and extent of misreporting on Basic Grant applications, which are the basis for determining a student's eligibility to receive a Basic Grant award. This study is concerned with the accuracy of income estimates that students make on supplemental Basic Grant applications, as well as other forms of potential program abuse. The regular and supplemental Basic Grant application processes are discussed below to facilitate the reader's understanding of the study purposes and objectives, which are subsequently described.

Purpose of Basic Grant Program

Basic Grants were established for purposes of assisting needy students to pursue a postsecondary education. That is, the Basic Grant program is intended to promote equality of educational opportunity by assisting students who have limited financial resources to meet the expenses of postsecondary education. Funds are intended to be disbursed to those students with the greatest financial need. The Basic Grant program offers a "portable" source

of financial assistance, in that applicants' eligibility for an award is centrally determined and the postsecondary institutions which students attend do not determine who will receive an award or the amount of the award. The federal government does, however, disperse funds to the students through the institutions that they attend rather than make payments directly to the student. This disbursement procedure provides a safeguard against one form of program abuse; i.e., the possibility that award recipients are not enrolled or will not enroll in a program of study at a valid postsecondary institution.

Regular Basic Grant Application Procedures

To obtain a Basic Grant, an applicant must typically file a "regular" Basic Grant application, which is reviewed and processed by the American College Testing Program. On the regular application, a student reports his/her previous year's financial resources if he/she is an independent student, or his/her parents' financial resources if he/she is a dependent student. The Basic Grant program uses the previous year's data as an indicator or predictor of students' current financial resources and, therefore, students' need for a Basic Grant award. Specifically, key financial data (e.g., adjusted gross income, net assets, etc.) are entered into an algorithm which determines an applicant's Student Eligibility Index (SEI). For example, applicants' actual 1976 financial data are used to predict their 1977 financial strength and, consequently, their need for a Basic Grant award for the 1977-78 academic year. According to current procedures, students with an SEI of 1200 or less are eligible to receive Basic Grant funds. The exact amount of an award at any given SEI level is also determined in relation to the educational expenses at a student's institution, although the maximum amount of an award is $1400 per academic year.[1/]

[1/] An increase in the maximum award amount is planned for 1978-79.

Purpose of Supplemental Application

The Basic Grant program does, however, recognize that students' previous year financial resources are not always a valid basis for predicting current financial strength and determining Basic Grant eligibility. Therefore, under special circumstances students are allowed to estimate their current year financial resources and these data may be used to determine their eligibility for an award. This income estimate is accomplished by filing a supplemental Basic Grant application. The Basic Grant program has established a strict set of circumstances under which a student's previous year financial resources are considered invalid for purposes of determining Basic Grant eligibility and, therefore, the student is allowed to submit a supplemental application. As currently defined, if the applicant or his/her family has experienced one of the following catastrophic events, the applicant may file a supplemental:[1/]

- The applicant's parents or the applicant and spouse have become separated or divorced since the time of the original application; or
- A parent or spouse, whose income would have been included on the regular Basic Grant application form, died in the previous or current year; or
- Such a parent or spouse has experienced a complete loss of all employment for at least ten total weeks in the current year; or
- Such a parent or spouse, or the applicant, has been unable to pursue normal income-producing activities for at least ten consecutive weeks in the current year due to natural disaster or disability; or
- For independent students, the applicant, who was employed full-time during the previous year, is not employed full-time during the current year.

[1/] Circumstances pertaining to the applicant's parents are applicable for dependent students, whereas circumstances pertaining to the applicant and his/her spouse are applicable for independent students.

These allowable circumstances have remained constant since 1974-75 when supplemental applications were introduced, except that the last permissible situation was introduced in the 1975-76 application year.

Supplemental Basic Grant Application Procedures

Applicants may file a supplemental form at the same time that they file their regular application. Or, if the circumstances which permit the filing of the supplemental occur after a student has already submitted a regular form, the student may subsequently file a supplemental form accompanied by a regular application. In either event, the supplemental form requires the applicant to estimate his/her family's financial resources[1/] for the current year, including:

- Total adjusted gross income (AGI)
- Total non-taxable income
- Father/applicant portion of AGI
- Mother/spouse portion of AGI

In recent years, supplemental applicants have also been required to estimate their total itemized deductions, medical and/or dental expenses, casualty or theft losses, and unreimbursed elementary and high school tuition for the current year.

All other pertinent data are reported on the regular application. The student's eligibility index is computed in the same manner as that used for regular applicants, except that the estimated figures are substituted for the actual previous year

1/ For independent students, the resources of the student and his/her spouse are estimated, while a dependent student estimates his/her parents' financial resources.

income data in the algorithm. Disbursement of funds for students who are eligible for an award on the basis of their supplemental application proceeds in the same manner used for eligible regular recipients.

Purpose of Current Study

A previous Applied Management Sciences' study was designed to determine how accurately income was estimated on 1974-75 supplemental applications. This study revealed that although the majority of income estimates were erroneous, the impact of these under- and overestimates on the amount of award was not very great. However, since the proportion of supplemental filers relative to the regular applicants has increased dramatically since 1974-75, there has been a concern that some applicants may be using the supplemental process as a means of misreporting and program abuse. Neither the study of 1974-75 supplemental filers nor the current validation follow-up activities investigated any trends associated with the supplemental applicants that may be indicators of intentional abuse. The validation activities that Applied Management Sciences has conducted during each processing year have systematically excluded supplemental applicants, even if they had previously filed a regular application suspected of containing misreported data.[1/] Therefore, less is currently known about the extent of misreporting on supplemental applications than on regular applications, and no previous study has explored the nature or characteristics of supplemental filers.

1/ If a regular application contains entries that are internally inconsistent with each other or exceed certain preestablished limits or tolerances, the applicant is required to supply supporting documentation to validate the entries and/or correct the application. Supplemental applications, however, are not selected for validation purposes since the data contained are estimates of a family's financial position for the year in which he/she is applying for aid.

There are two central purposes to this study: to provide an indication of the possible extent of misuse of the supplemental application process, and to provide an indication of the characteristics of supplemental applicants who are suspected of misuse of the supplemental process. Both of these purposes will be accomplished by studying a sample of 1975-76 supplemental applicants and also exploring the 1974-75 and 1976-77 applications of these same applicants to investigate longitudinal trends in application activity.

Study Issues

There are three basic issues to which the current study is addressed:

- What are the characteristics of the 1975-76 supplemental applicants?
- What types of changes are made to applicants' Student Eligibility Reports (SERs) between regular and supplemental applications submitted in 1975-76? What is the extent of these changes?
- What kinds of Basic Grant applications (if any) did 1975-76 supplemental applicants file in the previous and subsequent years (1974-75 and 1976-77, respectively)? How accurate were 1975-76 income estimates?

Within each of these three issue areas, a series of questions has been developed to facilitate and organize the analysis of the issue. The questions are presented in Chapter 3, Findings, in conjunction with the relevant study results.

2

STUDY METHODOLOGY

The sample for this study consists of 2,500 applicants who were randomly selected from the population of 1975-76 eligible supplemental applicants. Each sample applicant's first and last 1975-76 SERs were transcribed onto the data base, as well as their first and last SERs for the previous and subsequent years, if any. Finally, to address the study questions, the data were analyzed through the application of descriptive statistics (frequency and contingency distributions and/or measures of central tendency). The methodological procedures are discussed in more detail in the following sections.

Sampling Procedures

Because of the cross-year comparisons necessitated by the study issues, a multiyear data base was required. The primary application year of interest, however, was 1975-76, and consequently the sample was drawn from the population of 1975-76 supplemental applicants. The criterion for inclusion in the study was that the applicant's last application in 1975-76 was an eligible supplemental form. That is, to be included in the study sample, an applicant's final 1975-76 record had to be a supplemental form and he/she had to be eligible[1/] for a Basic Grant award on the basis of it.

1/ Applicants with a Student Eligibility Index (SEI) of 1,200 or less were eligible for an award in 1975-76.

From this subpopulation of the population of all Basic Grant applicants, a sample of 2,500 eligible supplemental filers was randomly drawn. To accomplish the selection, the size of the subpopulation was estimated and an appropriate skip interval was computed to yield a sample of the required size. Every n^{th} record from the subpopulation was chosen until the entire sample was selected. This approach resulted in the selection of 2,500 1975-76 eligible supplemental filers from the applicant data base maintained by the American College Testing Program.

Creation of Data Base

Data from 1975-76 Student Eligibility Reports (SERs) which result from a Basic Grant application were entered onto the data base. Applicants may file multiple applications and/or corrections to applications in a given year, with each submission resulting in an individual SER. Each 1975-76 SER for an individual student was not entered onto the data base; rather, selected entries from each sample applicant's first and last 1975-76 transactions[1/] were chosen, including:

- mother/spouse income
- father/applicant income
- adjusted gross income (AGI)
- taxes paid

1/ The first transaction is the initial application a student submitted for a given application year. It may be a regular or supplemental application. Students may correct initial applications or, if the first transaction was a regular application, may subsequently submit a supplemental. Consequently, a student may have several transactions for any given year. The last transaction is the final application submitted, regardless of the number of intermediate applications. Presumably, the final transaction is the SER which the student presented to his/her school as the basis for payment of a Basic Grant award, although this assumption cannot be tested with this data base.

- applicant's dependency status
- family size
- reason for supplemental application
- student eligibility index (SEI)
- date application processed
- monthly veterans benefits received
- number of months benefits received
- net assets
- transaction number
- social security number
- other income

Subsequently, the 1974-75 and 1976-77 applicant data bases were searched and sample applicants' records for those years, if any, were identified. For each year, if the applicant had two or more records on file, data from the initial and final transactions were entered onto the data base. If a sample applicant had only one transaction in a given year, it was considered to be the final transaction,[1/] and was entered as such on the data base. Subsequently, the file was reformatted in order to create one record for each sample applicant containing data from up to the six possible SERs (first and last transactions for each of the three application years of interest).

In addition to analysis of individual SER entries, the analysis plan provided for exploration of change between SERs - for example, between first and last 1975-76 SERs to assess the impact of filing a supplemental, or between 1975-76 supplemental SERs and the first regular 1976-77 SERs to assess the accuracy of income estimates on the 1975-76 supplemental form. Consequently, a set of new change variables was created for each applicant and added to his/her record on the data base.

[1/] The final transaction is the basis on which a student is presumably paid, and is known as the SER of record. If a student has only one record on file for an application year, it is the SER of record.

From the "raw" SER entries, several other critical variables were defined and/or created. Decision rules were developed to facilitate consistent definition of key analytic variables from applicants' SER entries. These definitions follow:

- The SER of record for an application year is the applicant's final transaction for the year; or, if the applicant has only one transaction on file, that transaction is the SER of record. Presumably, the SER of record is the basis on which applicants receive their awards.
- For any transaction (first, last, or intermediate), an applicant may be determined to be eligible to receive an award (have a SEI of 1,200 or less) or ineligible to receive an award (have a SEI of 1,201 or more), or the applicant may be rejected due to insufficient or inconsistent data.
- For any year an applicant's initial eligibility to receive an award (regardless of actual amount) is determined from his/her first application filed that year. If an applicant has only one transaction for the year, initial eligibility is determined on the basis of that SER.[1/] An applicant may be initially eligible, initially ineligible, or may be initially rejected.
- An applicant's dependency status for a given year is taken from his/her SER of record for that year. If an applicant lived with, received $600 or more worth of assistance from, or was declared as a federal tax exemption by his/her parents during the previous calendar year or either of the two calendar years associated with the application year (i.e., for 1974-76 for the 1975-76 application), he/she is a dependent student. Otherwise, he/she is considered to be independent.
- Absolute SEI change is defined as the raw difference between two SEIs taken from two different SERs for the same applicant (SEI_2-SEI_1). A positive value indicates that the applicant's SEI increased between the earlier and subsequent SERs, while a negative value indicates a decrease in SEI over the same period.

[1/] However, the concept of initial eligibility is used in relation to the nature and extent of change between initial and final transactions. Therefore, the initial eligibility variable is meaningless for applicants with only one transaction since they are excluded from such analyses.

- Effective SEI change is defined as the amount of change between two SEIs that has an impact on an applicant's award. For example, an absolute SEI decrease of 500, from 2000 to 1500, is an effective decrease of 0, since an applicant would not receive an award at either SEI level. To compute effective SEI change, the value of one (or both) of the two SEIs is set at 1200 if its raw value is greater than 1200; then the difference between the two SEIs with maximum values of 1200 is computed.
- AGI change is the raw difference between the adjusted gross income entries on two SERs for the same applicant ($AGI_2 - AGI_1$). It is always an absolute change. As with SEI change, a positive value indicates an increase in AGI between the earlier and later SERs, while a negative value indicates an AGI decrease over the same period.
- An applicant may file an individual supplemental form for only one of the five possible reasons. Supplemental applicants for any given year, then, can be divided into mutually exclusive subgroups according to their reasons for filing the supplemental form.
- The processing interval between two applications filed by the same applicant is the number of weeks between the dates on which the applications were processed by the American College Testing Program.

Missing Data

Each applicant's record that was used for this study contained multiple data entries; however, full data records were not available for all respondents. If information on a certain variable was not available from an applicant's computer file maintained by the American College Testing Program, that variable was considered to have a "missing value." That is, the value of that variable was listed as a blank on the file used for this study.

Missing values (i.e., blank variables) had two consequences that are important to the understanding of this study, relating to the computation of change variables and the elimination of respondents with missing values on certain variables from analyses involving those variables. As discussed in the previous section, change

variables are the difference between the values of a pair of original variables. If one or both of the original variables used to compute the change variable were missing, the change variable was assigned a missing value. This is both a mathematical and logical necessity, and can involve the assignment of missing values to a single respondent (if, for some reason, one of the original variable's values is not on his/her file - perhaps because it was blank on the student's BEOG application) or to a group of respondents. For example, some applicants only filed one 1975-76 application, a supplemental, and consequently all of this subgroup would have missing values for variables which measure change between initial and final 1975-76 SERs.

Each table in the findings section indicates the total number of applicants included in that particular analysis. Depending on the question being addressed, that number may reflect the entire sample or a special subgroup of respondents. However, if a respondent who is supposed to be included in that analysis (i.e., is a member of the total sample or the subgroup of interest) has a missing value on any of the variables included in that table, he/she will be eliminated from that particular analysis. Therefore, in most cases, a table is based on fewer respondents than the entire membership of the group under consideration. For example, suppose a table is based on a subgroup of 500 respondents, and involves variables A and B - any of those 500 respondents who have missing values for A or B will not be included in the row, column, or cell figures in that table. When the same subgroup is the basis for several tables, the number of "missing respondents" may vary from table to table, since the tables will rely on different variables and a respondent will only be eliminated from analyses involving his/her missing data.

The notation used to indicate the number of cases (respondents) included in a table is as follows. "Total cases," "Cases included in table," and "Missing cases" are listed below the table. The

total cases figure reflects the total number of respondents in the group or subgroup under consideration. The "missing cases" figure indicates the number of respondents in that group who have missing value (blanks) on one or more of the variables in the table, and are therefore excluded from the table. The "cases included in table" figure is the diffrence between the former two figures, and represents the number of respondents upon which the figures in the table are based.

Analytic Procedures

The study issues were addressed through the application of simple descriptive statistics. Specifically, categorical data were analyzed by univariate and bivariate frequency distributions, while measures of central tendency (means, mean changes) were computed for interval and ratio data. When categorical and interval or ratio data were analyzed in conjunction with each other, measures of central tendency were computed for subgroups of applicants differentiated on the basis of the categorical variable(s). Prior to the conduct of analytic activities, detailed specifications for the planned tables were prepared and reviewed by the Division of Quality Assurance, Bureau of Student Financial Aid. All of the analyses planned a priori were conducted in the first stage of data analysis. Upon examination of the first stage results, some additional issues were identified and these were explored in a second phase of the analytic activities. All of the analytic activities were programmed using the Statistical Package for the Social Sciences (SPSS).

3

FINDINGS

This chapter presents the results of the analytic activities which were described in Chapter 2. These findings address three broad sets of issues, and each set of issues is discussed separately: the characteristics of sampled 1975-76 supplemental applicants, the nature and scope of SER changes within the 1975-76 application year, and the nature and scope of differences between 1975-76 SERs and previous and subsequent years' SERs. Prior to the presentation of findings specific to this study, however, the characteristics of the population of 1974-75, 1975-76, and 1976-77 supplemental filers are briefly described.

3.1: Population Characteristics

The 1973-74 academic year was the first year that Basic Grants were awarded; and for that initial year, only prospective freshmen were allowed to apply for a Basic Grant. During the subsequent year, 1974-75, the program was expanded to allow both freshmen and sophomores to apply. Expansion continued along these lines until in 1976-77 all undergraduate students were allowed to apply for a Basic Grant.[1/] Therefore, the Basic Grant applicant population expanded during the three-year period covered by this study,

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1/ A consistent regulation is that only undergraduates without another baccalaureate degree may apply and only for a maximum of four years, unless the student is enrolled in a five-year baccalaureate program in which case he/she may be eligible for a BEOG award for five years.

1974-75 through 1976-77, due to the increasingly-large eligible applicant group, as well as a larger proportion of the eligible students actually submitting applications.

As the total applicant population grew from just over one million in 1974-75 to approximately three million in 1976-77, the number of supplemental applicants also grew. Furthermore, the proportion of the applicant population who submitted supplementals also increased, and in fact doubled, over this three year period--from 2.3 percent to 4.6 percent (see Table 3.1). Even though the number of supplemental applicants is still small in relation to the total applicant population, misuse of the supplemental process would have a serious impact on the Basic Grant program if it resulted in large overpayments to supplemental applicants.

Within the supplemental applicant subpopulation, the numbers and proportion of independent supplemental filers has increased dramatically over the same three year period (see Table 3.1). Although the proportion of independent applicants in the total population also increased during this time span, proportionately more independent students submitted supplementals in 1975-76 and 1976-77 than dependent students. The particularly large proportion of independent supplemental filers in 1975-76 and 1976-77 as compared to 1974-75 is probably due to the fact that 1975-76 was the first year that independent students were allowed to file a supplemental due to their own unemployment (rather than their spouse's) if they had been employed full-time the previous year and left their job to attend school. The addition of this fifth allowable supplemental reason, allowable only for independent students, created an expanded eligible independent supplemental applicant pool in 1975-76.

3.2: Sample Characteristics

A sample of 2,500 Basic Grant applicants was selected for purposes of this study.[1/] All sample applicants share two common

[1/] The methodology used for sample selection is described in Chapter 2.

TABLE 3.1: LONGITUDINAL TRENDS IN NUMBER OF SUPPLEMENTAL FILERS

	Total Applicant Population (Including Supplemental Filers)			Total Supplemental Applicant Sub-population		
Year	Total	Dependent (% of Population)	Independent (% of Population)	Total (% of Population)	Dependent (% of Sub-population)	Independent (% of Sub-population)
1974-75	1,114,084	896,366 (80.4)	217,718 (19.6)	26,123 (2.3)	23,299 (89.2)	2,824 (10.8)
1975-76	2,178,696	1,594,454 (73.2)	584,242 (26.8)	91,947 (4.2)	49,898 (54.3)	42,049 (45.7)
1976-77	3,187,110	1,992,363 (62.5)	1,194,747 (37.5)	146,181 (4.6)	61,755 (42.2)	84,426 (57.8)

characteristics: they filed a supplemental Basic Grant application in 1975-76, and their final application transaction for 1975-76 was a supplemental that qualified them for a Basic Grant award (i.e., their final transaction was an eligible supplemental). This section will describe other pertinent characteristics of the group of sample applicants. It should be noted that, of the originally selected sample of 2,500, several cases were eliminated from the study due to erroneous identifiers and/or ineligibility status on the final 1975-76 transaction; therefore, analytic activities were based on a total sample of 2,479 applicants.

3.2.1: Reasons for Submission of Supplemental Applications

Table 3.2 presents the distribution of reasons for which the sample applicants filed their 1975-76 applications. Across the

TABLE 3.2: REASONS FOR FILING 1975-76 SUPPLEMENTAL APPLICATIONS

Supplemental Reason[1]	Total (% of column)	Dependent (% of column)	Independent (% of column)
Total[2]	2,464 (100.0)	1,425 (100.0)	1,039 (100.0)
Death of Parent/Spouse	264 (10.7)	257 (18.0)	7 (0.7)
Parent/Spouse Unemployed	1,134 (46.0)	927 (65.0)	207 (19.9)
Applicant's Parents/Applicant and Spouse Separated/Divorced	56 (2.3)	36 (2.5)	20 (1.9)
Disaster/Disability	277 (11.2)	205 (14.4)	72 (6.9)
Applicant Unemployed	733 (29.7)	N/A	733 (70.5)

[1] Reasons pertaining to applicants' parents apply for dependent students, while reasons pertaining to the applicant or the applicant and spouse apply for independent students. There are a total of 2,479 cases, with 15 cases missing from this table.

[2] See full table (3.4) for detail on number of cases.

entire sample, the predominant reasons related to unemployment, although the unemployed party varied for dependent and independent students. Sixty-five percent of the dependent students filed supplementals because one (or both) of their parents was unemployed. In contrast, only one-fifth (19.9%) of the independent students filed supplementals due to their spouse's unemployment, the comparable supplemental reason. Rather, 70.5 percent of the independent students who filed supplementals did so because of their own unemployment. In terms of non-employment related reasons, almost one-fifth (18.0%) of the dependent supplemental applicants filed because of the death of a parent. Other supplemental reasons accounted for very small proportions of the supplemental applications. Therefore, the special circumstance that resulted in filing a supplemental application was almost always the applicants' or their spouses' unemployment for independent students (90%) while it was usually parents' unemployment (65%) or death of a parent (18%) for dependent students.

3.2.2: Multi-year Application Activity of 1975-76 Supplemental Filers

As the following table indicates, most of the sample applicants (78%) had not applied for a Basic Grant in the previous year (1974-75). This is not surprising since only students who were sophomores

TABLE 3.3: SUMMARY OF 1974-75 APPLICATION ACTIVITY

1974-75 Application Activity	Total (% of Column)	1975-76 Dependency Status: Dependent (% of Column)	1975-76 Dependency Status: Independent (% of column)
Total[1/]	2,464 (100.0)	1,425 (100.0)	1,039 (100.0)
No Basic Grant Application Filed	1,918 (77.8)	1,035 (72.6)	883 (85.0)
SER of Record is Regular Application	543 (22.0)	387 (27.1)	156 (15.0)
SER of Record is Supplemental Application	3 (0.1)	3 (0.2)	*

[1/] See full table (3.4) for detail on number of cases.

TABLE 3.4: TYPE OF BASIC GRANT APPLICATION FILED IN 1974-75 BY STUDENTS WHO FILED 1975-76 SUPPLEMENTAL FORM, BY 1975-76 DEPENDENCY STATUS, 1975-76 SUPPLEMENTAL REASON, AND 1974-75 ELIGIBILITY STATUS

	Dependent			
	1975-76 Supplemental Reasons			
Application Activity in 1974-75	Parent Died (% of Column)	Parent Unemployed (% of Column)	Parents Divorced/ Separated (% of Column)	Parents Disaster (% of Column)
No Basic Grant Application Filed	185 (72.0)	685 (73.9)	26 (72.2)	139 (67.8)
SER of Record is Regular Application:				
eligible	44 (61.1)	124 (51.9)	8 (80.0)	43 (65.2)
ineligible	26 (36.1)	101 (42.3)	2 (20.0)	21 (31.8)
rejected	2 (2.8)	14 (5.9)	*	2 (3.0)
Total	72 (28.0)	239 (25.8)	10 (27.8)	66 (32.2)
SER of Record is Supplemental Application:				
eligible	*	1 (33.3)	*	*
ineligible	*	2 (66.7)	*	*
rejected	*	*	*	*
Total	*	3 (0.3)	*	*
TOTAL	257 (100.0)	927 (100.0)	36 (100.0)	205 (100.0)

Total cases: 2,479 (all sample applicants)
Cases included in table: 2,464
Missing cases: 15

TABLE 3.4: (continued)

Independent				
1975-76 Supplemental Reasons				
Spouse Died (% of Column)	Spouse Unemployed (% of Column)	Divorced/ Separated (% of Column)	Disaster/ Disability (% of Column)	Applicant Unemployed (% of Column)
7 (100.0)	181 (87.4)	15 (75.0)	64 (88.9)	616 (84.0)
*	15 (57.7)	2 (40.0)	5 (62.5)	66 (56.4)
*	7 (26.9)	3 (60.0)	3 (37.5)	47 (40.2)
*	4 (15.4)	*	*	4 (3.4)
*	26 (12.6)	5 (25.0)	8 (11.1)	117 (16.0)
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
7 (100.0)	207 (100.0)	20 (100.0)	72 (100.0)	733 (100.0)

or juniors in 1975-76 had been eligible to file an application in 1974-75. Further, virtually all of the 1975-76 sample applicants who had applied in 1974-75 had filed a regular application; less than one percent had filed a 1974-75 supplemental. These findings do not vary meaningfully by dependency status. Nor do they vary by supplemental reason, as shown in Table 3.4.

Table 3.5 summarizes the 1976-77 application activity of the sample applicants. Whereas less than one-quarter of the sampled 1975-76 applicants had filed any type of application the previous year, almost two-thirds of them (63%) filed an application the following year (1976-77). Again, most of those who did apply filed

TABLE 3.5: SUMMARY OF 1976-77 APPLICATION ACTIVITY

1976-77 Application Activity	Total (% of column)	1975-76 Dependency Status: Dependent (% of column)	1975-76 Dependency Status: Independent (% of column)
Total[1/]	2,465 (100.0)	1,426 (100.0)	1,039 (100.0)
No Basic Grant Application Filed	911 (37.0)	423 (29.7)	488 (47.0)
SER of Record is Regular Application	1,342 (54.4)	860 (60.3)	482 (46.4)
SER of Record is Supplemental Application	212 (8.6)	143 (10.0)	69 (6.6)

a regular application, although 8.6 percent of the sample filed a supplemental form in both 1975-76 and 1976-77. Independent 1975-76 supplemental applicants were more likely not to apply in 1976-77, and dependent applicants were more likely to file a regular 1976-77 application. Since only freshmen, sophomores and juniors were allowed to apply in 1975-76 and all undergraduates were allowed to apply in 1976-77, all of the sampled 1975-76 applicants were able to apply for a BEOG again in 1976-77, which explains the high

[1/] See full table (3.6) for detail on number of cases.

proportion who did apply in 1976-77. These trends hold constant across supplemental reason, as shown in Table 3.6.

Tables 3.4 and 3.6 were developed to provide additional detail about the sample's application behavior in 1974-75 and 1976-77 by examining whether any of these behaviors were related to the reason the 1975-76 supplemental was filed. In addition, these analyses also provide an indication of the results (eligibility, ineligibility or rejection) of filing in 1974-75 and 1976-77. As was stated earlier, both tables show that there was no difference, by supplemental reason, in the 1974-75 and 1976-77 behaviors. The proportions of applicants who did not file, filed a regular application, or filed a supplemental application in 1974-75 were about the same for all 1975-76 supplemental reasons. The same trend held true for the comparison between the 1975-76 supplemental reasons and the 1976-77 behaviors. In addition, there was no difference by 1975-76 supplemental reason in the eligibility, ineligibility or rejection of applicants who filed in the prior or succeeding year. Across supplemental reasons, about two thirds of the applicants who had filed 1974-75 regular applications had been eligible for a Basic Grant award, and about one-third had been ineligible (see Table 3.4). Very few of the 1974-75 regular applicants were rejected. In contrast, almost four-fifths of the applicants who filed a regular or supplemental 1976-77 application were eligible for a 1976-77 award, and very few were rejected (see Table 3.6).

Finally, Table 3.7 summarizes the sample's application activity across all three years of interest simultaneously. Almost half of the sample had filed applications in 1976-77 as well as 1975-76, but not 1974-75. This, of course, could be a function of the newness of the program in 1974-75. Only six percent had two-year application activity encompassing 1974-75 and 1975-76, but not 1976-77. This, too, is expected since the program was limited to freshmen and sophomores in 1974-75. A sizeable portion of the sample (one-sixth) had filed some type of application in each of the three years of interest, and a somewhat larger group (about one-third) had only

TABLE 3.6: TYPE OF BASIC GRANT APPLICATION FILED IN 1976-77 BY STUDENTS WHO FILED 1975-76 SUPPLEMENTAL FORM, BY 1975-76 DEPENDENCY STATUS, 1975-76 SUPPLEMENTAL REASON, AND 1976-77 ELIGIBILITY STATUS

	Dependent			
	1975-76 Supplemental Reason			
Application Activity in 1976-77	Parent Died	Parent Unemployed	Parents Divorced/ Separated	Parents' Disaster
No Basic Grant Application Filed	78 (30.4)	277 (29.8)	11 (30.6)	57 (27.8)
SER of Record is Regular Application:				
eligible	114 (79.2)	459 (81.7)	23 (95.8)	120 (92.3)
ineligible	28 (19.4)	95 (16.9)	1 (4.2)	9 (6.9)
rejected	2 (1.4)	8 (1.4)	*	1 (0.8)
Total	144 (56.0)	562 (60.6)	24 (66.7)	130 (63.4)
SER of Record is Supplemental Application:				
eligible	29 (82.9)	73 (82.0)	1 (100.0)	14 (77.8)
ineligible	5 (14.3)	15 (16.9)	*	2 (11.1)
rejected	1 (2.9)	1 (1.1)	*	2 (11.1)
Total	35 (13.6)	89 (9.6)	1 (2.8)	18 (8.8)
Total	257 (100.0)	928 (100.0)	36 (100.0)	205 (100.0)

Total cases: 2,479 (all sample applicants)
Cases included in table: 2,465
Missing cases: 14

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TABLE 3.6: (continued)

Independent 1975-76 Supplemental Reason				
Spouse Died	Spouse Unemployed	Divorced/ Separated	Disaster/ Disability	Applicant Unemployed
5 (71.4)	102 (49.3)	4 (20.0)	35 (48.6)	342 (46.7)
2 (100.0)	82 (88.2)	14 (93.3)	26 (86.7)	287 (83.9)
*	6 (6.5)	1 (6.7)	2 (6.7)	45 (13.2)
*	5 (5.4)	*	2 (6.7)	10 (2.9)
2 (28.6)	93 (44.9)	15 (75.0)	30 (41.7)	342 (46.7)
*	5 (41.7)	1 (100.0)	5 (71.4)	41 (83.7)
*	5 (41.7)	*	*	5 (10.2)
*	2 (16.7)	*	2 (28.6)	3 (6.1)
*	12 (5.8)	1 (5.0)	7 (9.7)	49 (6.7)
7 (100.0)	207 (100.0)	20 (100.0)	72 (100.0)	733 (100.0)

TABLE 3.7: SUMMARY OF ACROSS-YEAR APPLICATION ACTIVITY

Across Year Application Activity	# of Column
Total	2,479 (100.0)
1975-76 only	766 (30.9)
1974-75 and 1975-76, but not 1976-77	151 (6.1)
1975-76 and 1976-77, but not 1974-75	1,164 (47.0)
1974-75, 1975-76, and 1976-77	398 (16.0)

filed in one year, 1975-76. Thus, it appears that many of the BEOG applicants persist with their education.

As Table 3.8 indicates, these previously described trends do not vary significantly by applicants' dependency status. However, the type of applications filed in the other years varies according to the year. Only three applicants in the sample had filed supplementals in 1974-75, and all three of these had three-year application activity. Only one of these three, though, filed a supplemental application in each of the three years of interest. Most of the other students with three-year application activity and activity in 1975-76/1976-77 only filed regular applications in the years other than 1975-76 (between 85% and 90%). Interestingly, all of the students with only two year activity encompassing 1974-75 and 1975-76 filed regular applications in the previous year. Overall, the rate of "repeat" supplemental filing in two or more consecutive years is fairly low (between 10% and 15%). It is, nevertheless, a phenomenon that merits attention and will be explored in greater detail in a later section.

3.2.3: Time of Supplemental Application Submission Vis-a-Vis Regular Application Submission

Although all of the sample applicants filed a final, eligible supplemental application in 1975-76, the number of transactions

TABLE 3.8: ACROSS YEAR BASIC GRANT APPLICATION ACTIVITY OF 1975-76 SUPPLEMENTAL FILERS, BY DEPENDENCY STATUS

Students Who Filed Applications in 1974-75 And 1975-76, But Not 1976-77			
Type of 1974-75 Activity	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)
Total	151 (100.0)	90 (100.0)	61 (100.0)
SER of Record is Regular Application	151 (100.0)	90 (100.0)	61 (100.0)
SER of Record is Supplemental Application	0 (0.0)	0 (0.0)	0 (0.0)

Students Who Filed Applications in 1975-76 And 1976-77, But Not 1974-75			
Type of 1976-77 Activity	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)
Total	1164 (100.0)	707 (100.0)	457 (100.0)
SER of Record is Regular Application	999 (85.8)	603 (85.3)	396 (86.7)
SER of Record is Supplemental Application	165 (14.2)	104 (14.7)	61 (13.3)

Students Who Filed Applications in 1974-75, 1975-76, And 1976-77			
Type of 1974-75 And 1976-77 Activity	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)
Total	398 (100.0)	301 (100.0)	97 (100.0)
SER of Record is Regular Application in 1974-75 and 1976-77	348 (87.4)	260 (86.4)	88 (90.7)
SER of Record is Supplemental Application in 1974-75 and 1976-77	1 (0.3)	1 (0.3)	0 (0.0)
SER of Record is Regular in 1974-75 and Supplemental in 1976-77	47 (11.8)	38 (12.6)	9 (9.3)
SER of Record is Supplemental in 1974-75 and Regular in 1976-77	2 (0.5)	2 (0.7)	0 (0.0)

Note: Table excludes the 766 applicants who did not file an application in either 1974-75 or 1976-77. The remaining 1713 who filed applications in 1974-75 and/or 1976-77, as well as 1975-76, are represented in only one of the three subtables. Dependency status is according to 1975-76 SER of record.

Total cases: 1713 (applicants who had multi-year application activity)
Cases included in table: 1713
Missing cases: 0

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varied among applicants. Specifically, for some applicants, the supplemental was their initial (and perhaps only) application, whereas other applicants filed a supplemental following the submission of a regular application. It was hypothesized that findings relating to the application process may vary by whether the supplemental was an initial application. Although no data to support this notion existed, it was hypothesized that some students may decide to file supplementals only after they file a regular application and are dissatisfied with the results. This line of reasoning leads one to expect that applicants who file supplementals after a regular form are more likely to abuse the supplemental process than those who file supplementals initially. Although it is beyond the scope of this study to conclusively identify program misuse and/or abuse, potential indicators of abuse are examined. Along these lines, the following series of tables examines differences in 1975-76 supplemental applications according to whether the supplemental was an initial or subsequent application.

In fact, for slightly over half of the sample the 1975-76 supplemental was an initial application. As Table 3.9 indicates, the distribution of reasons for filing their 1975-76 supplemental is virtually identical for applicants who filed initial supplementals compared to those who filed supplementals following a regular form. Similarly, the distribution of dependent applicants' reasons is virtually identical between the two groups, as is the distribution of independent applicants' reasons. Therefore, the two groups of supplemental applicants differentiated by initial/subsequent status of filing the supplemental do not differ in their reasons for submitting supplemental applications. Overall, unemployment-related reasons were most predominant.

The average supplemental application entries for the total sample as well as subgroups differentiated by dependency status and time of filing the supplemental are presented in Table 3.10. Table 3.10 presents the total sample means for each supplemental entry and means for dependent and independent students. A comparison of the two major columns in this table indicates

TABLE 3.9: DISTRIBUTION OF APPLICANT REASONS FOR FILING 1975-76 SUPPLEMENTAL APPLICATION, BY DEPENDENCY STATUS AND WHETHER SUPPLEMENTAL WAS INITIAL 1975-76 APPLICATION

Supplemental Reasons	Grand Total (% of Column)	Supplemental Was Initial 1975-76 Application: Total (% of Column)	Dependent (% of Column)	Independent (% of Column)	Supplemental Was Filed After 1975-76 Regular Application: Total (% of Column)	Dependent (% of Column)	Independent (% of Column)
Total	2464 (100.0)	1440 (100.0)	780 (100.0)	660 (100.0)	1024 (100.0)	647 (100.0)	377 (100.0)
Parent/Spouse Died	264 (10.7)	141 (9.8)	137 (17.6)	4 (0.6)	123 (12.0)	120 (18.5)	3 (0.8)
Parent/Spouse Unemployed	1135 (46.1)	664 (46.1)	516 (66.1)	148 (22.4)	471 (46.0)	412 (63.7)	59 (15.7)
Parents/Spouse and Applicant Separated or Divorced	55 (2.2)	*	*	*	55 (5.4)	36 (5.6)	19 (5.0)
Disaster/Disability	277 (11.3)	177 (12.3)	127 (16.3)	50 (7.6)	100 (9.8)	78 (12.1)	22 (5.8)
Applicant Unemployed	733 (29.7)	458 (31.8)	*	458 (69.4)	275 (26.8)	1 (0.2)	274 (72.7)

Total cases: 2,479
Cases included in table: 2,464
Missing cases: 15

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TABLE 3.10: AVERAGE 1975-76 KEY BASIC GRANT SUPPLEMENTAL APPLICATION ENTRIES, BY DEPENDENCY STATUS AND WHETHER SUPPLEMENTAL WAS INITIAL 1975-76 APPLICATION

Application Entries	Grand Total	Supplemental Was Initial 1975-76 Application			Supplemental Was Filed After 1975-76 Regular Application		
		Total	Dependent	Independent	Total	Dependent	Independent
Adjusted Gross Income (AGI) (missing cases: 96)	$5138.32 (N=2383)	$5159.11 (N=1386)	$6915.33 (N=747)	$3106.08 (N=639)	$5109.42 (N=997)	$6723.23 (N=627)	$2374.68 (N=370)
Student Eligibility Index (SEI) (missing cases: 286)	413.35 (N=2193)	447.77 (N=1168)	486.93 (N=644)	399.66 (N=524)	374.13 (N=1025)	430.16 (N=647)	278.22 (N=378)
Family Size (missing cases: 233)	4.06 (N=2246)	4.04 (N=1334)	4.67 (N=769)	3.17 (N=565)	4.10 (N=912)	4.67 (N=634)	2.79 (N=278)
Taxes Paid (missing cases: 1122)	$ 492.47 (N=1357)	$ 553.11 (N=802)	$ 756.59 (N=448)	$ 295.60 (N=354)	$ 404.84 (N=555)	$ 574.10 (N=341)	$ 135.14 (N=214)
Veteran's Benefits (missing cases: 542)	$ 453.88 (N=1937)	$ 506.52 (N=1155)	$ 63.71 (N=596)	$ 978.64 (N=559)	$ 376.13 (N=782)	$ 40.64 (N=471)	$ 884.21 (N=311)
Other Income (missing cases: 257)	$ 997.28 (N=2222)	$1023.60 (N=1310)	$1198.15 (N=700)	$ 823.29 (N=610)	$ 959.47 (N=912)	$1269.77 (N=568)	$ 447.12 (N=344)
Net Assets (missing cases: 17)	$5465.87 (N=2462)	$4548.03 (N=1438)	$8081.97 (N=781)	$ 347.10 (N=657)	$6754.79 (N=1024)	$10431.36 (N=647)	$ 445.13 (N=377)

NOTE: Table includes all sample applicants (N=2479). Applicants may be missing from a given row due to missing data on dependency status, supplemental reason, and/or the relevant application entry (e.g., AGI). In some cases when students' application contains missing data, the processing contractor will compute an assumed value based on other application entries and subsequently use the assumed value to compute students' eligibility. Assumed values are only computed when sufficient other data are available (i.e., nonmissing) on the student's application. Otherwise the application will be rejected for incompleteness. However, data for this study were taken from the processor's microfiche rather than the applicant data base due to cost considerations, and the microfiche do not record any assumed values but rather treat them as missing data. Therefore, applicants' assumed values had to be treated as missing data for purposes of this study. Since the assumed values take on the full range of "true" values and are computed based on other information (i.e., a disproportionate number of missing items are not assumed to be zero) this feature of the data base does not introduce any bias into this study.

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TABLE 3.11: FREQUENCY WITH WHICH 1975-76 BASIC GRANT SUPPLEMENTAL APPLICANTS CHANGED THEIR DEPENDENCY STATUS WITHIN THE 1975-76 APPLICATION YEAR AND ACROSS APPLICATION YEARS

Dependency Status on SER of Record for 1975-76 and Comparative Transaction	Comparative Transaction[1/]				
	Initial 1975-76 Record, Other Than SER of Record (% of Column)	Initial 1974-75 Record, Other Than SER of Record (% of Column)	1974-75 SER of Record (% of Column)	Initial 1976-77 Record, Other Than SER of Record (% of Column)	1976-77 SER of Record (% of Column)
Total[2/]	1429 (100.0)	55 (100.0)	520 (100.0)	382 (100.0)	1562 (100.0)
Dependent, Remained Dependent on Comparative Transaction	859 (60.1)	42 (76.4)	370 (71.2)	217 (56.8)	954 (61.1)
Dependent, Changed to Independent on Comparative Transaction	6 (0.4)	*	2 (0.4)	19 (5.0)	55 (3.5)
Independent, Remained Independent on Comparative Transaction	539 (37.7)	12 (21.8)	131 (25.2)	128 (33.5)	540 (34.6)
Independent, Changed to Dependent on Comparative Transaction	25 (1.7)	1 (1.8)	17 (3.3)	18 (4.7)	13 (0.8)

[1/] Applicants may be represented in more than one column. Column totals, then, are duplicated.

[2/] Total figures indicate the size of each of the subgroups. Percentages in each column are based on that subgroup only. For example, the left column includes the 1429 applicants who, in addition to their SER of record, filed a different initial 1975-76 application. Of this group, 859 individuals, or 60.1 percent, filed as dependent students on both transactions. Comparisons of percentages cannot directly be made between columns.

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that there are few major discrepancies in mean entries between applicants who filed supplementals initially vs. applicants who filed them following a regular form. However, initial supplemental applicants had an SEI that was, on the average, 75 points higher than those who did not file their supplemental initially. Consequently, it may be assumed that the initial supplemental group received slightly smaller awards on the whole than the other groups of applicants. On the other hand, the group of students who filed supplementals following a regular application reported an average of $2,000 more in net assets than the initial supplemental group. All other mean income entries were very similar between the two groups, although the initial supplemental group reported slightly higher incomes. The overall pattern, then, is one of fairly constant supplemental entries, regardless of whether the supplemental was an initial application or filed following a regular form. Similarly, although average entries vary by dependency status, with dependent applicants reporting higher entries in all cases except for veterans' benefits, the pattern of differences between dependent and independent applicants is similar between the two groups (initial vs. subsequent supplemental).

3.2.4: Within-Year and Across-Year Changes in Dependency Status

The extent to which the dependency status on applicants' initial 1975-76 transaction and/or transactions in other years (if any) is different from the dependency status on the 1975-76 SER of record is examined in Table 3.11. For those applicants who had filed two applications in 1975-76, very few (2%) changed their dependency status between the initial and final 1975-76 applications. Furthermore, four times as many applicants changed from independent to dependent as changed from dependent to independent, but this should not be considered to be a particularly generalizable trend given the small numbers involved. When applicants' final 1975-76 dependency status is compared to their dependency status on other years' transactions, almost all of the applicants who had filed in the other years claimed the same dependency status on the

two transactions. Consequently, applicants do not appear to be misusing the supplemental application process by frequently changing their dependency status.

3.2.5: Summary of Applicant Characteristics

The most frequently designated reasons for submitting a 1975-76 supplemental application are related to unemployment. Specifically, independent students usually filed because they or their spouse had experienced a period of unemployment. The majority of the dependent students filed because at least one parent was unemployed, although death of a parent was cited by a sizeable group (one-fifth) of the dependent students.

Most of the 1975-76 supplemental filers had not filed any type of Basic Grant application in the previous year, and all but three of those who did file submitted regular applications. The same pattern applies for dependent and independent applicants. This finding is consistent with the fact that only applicants who were sophomores and juniors in 1975-76 had been allowed to apply for a BEOG in 1974-75. In contrast, almost two-thirds of the 1975-76 supplemental filers submitted Basic Grant applications the following year, with most of the filers submitting regular applications. All of the 1975-76 applicants were allowed to file for a BEOG in 1976-77. Independent students were more likely not to file an application at all in 1976-77, but, of the students who did apply, the same proportion of independent and dependent students submitted regular applications (87%). Therefore, few students (about 9%) submitted supplemental applications as their SERs of record in consecutive years. Across-year application activity did not vary by applicants' reasons for filing a 1975-76 supplemental form.

Less than half of the sample applicants (41.6%) submitted their 1975-76 supplemental application subsequent to the submission of a regular application. Therefore, for over half of the applicants, their 1975-76 supplemental was their first transaction for that

application year. Within this group of initial supplemental applicants, some may have filed other subsequent applications or corrections to the supplemental, and some only had one transaction, their initial (and final) supplemental, for the year. However, 1975-76 supplemental application entries were fairly constant for these two groups of applicants.

Finally, using applicants' 1975-76 final dependency status as a basis for comparison, very few applicants changed their dependency status within the 1975-76 application year or across years (1974-75 and 1976-77).

The only consistent differences in major supplemental entries that exist between subgroups of applicants are differences between dependent and independent students. Consequently, all subsequent analyses are broken out by dependency status.

3.3: Changes in Basic Grant Applications Between 1975-76 Regular and Supplemental Submissions

In any application year, many students will submit an initial regular application and, at a later date, file a supplemental application. With this group of students, comparisons can be made between application entries based on their previous year's income (regular application) versus their income estimates for the current year (supplemental application). This comparison allows a direct assessment of the impact of filing a supplemental form. This section will examine the type and magnitude of changes made in SER data between initial 1975-76 regular applications and subsequently filed supplemental applications. Analyses related to this general issue are based only on that subgroup of the total sample whose initial 1975-76 transaction was a regular application, regardless of the eligibility of that application (N=1025). The remaining applicants in the sample filed a supplemental as their initial transaction, and are therefore not included in any of the change analyses in this section.

3.3.1: Changes in Adjusted Gross Income (AGI)

Applicants reported significant changes between their previous year AGI and their estimated current year AGI (see Table 3.12). Overall, the AGI reported on applicants' supplemental forms was an average of $5,187 lower than the AGI initially reported on their regular application. In terms of the change distribution, less than 15 percent of this subgroup of applicants reported an increase in AGI, regardless of the amount of the increase. Dependent students reported a greater average AGI decrease than independent students--approximately $1,300 greater. Further, regardless of dependency status, initially eligible students reported the smallest average decrease and initially ineligible students reported the largest average decrease. These differences were quite dramatic; initially ineligible applicants reported an average decrease of almost twice the magnitude of the average initially eligibles' decrease. As the following discussion elaborates, though, initially ineligibles had "more to lose" than initially eligibles, so the much larger AGI decreases do not necessarily indicate program misuse. These data are presented in more detail in Table A.1.

TABLE 3.12: SUMMARY OF CHANGES IN ADJUSTED GROSS INCOME BASED ON INITIAL 1975-76 APPLICATION AND SUBSEQUENT SUPPLEMENTAL

AGI Change	Total (% of Column)	Initially Eligible (% of Column)	Initially Ineligible (% of Column)	Initially Rejected (% of Column)	Dependent (% of Column)	Independent (% of Column)
Total	980 (100.0)	249 (100.0)	572 (100.0)	159 (100.0)	615 (100.0)	365 (100.0)
Increase	52 (5.3)	15 (6.0)	10 (1.7)	27 (17.0)	39 (6.3)	13 (3.6)
0	84 (8.6)	46 (18.5)	19 (3.3)	19 (11.9)	67 (10.9)	17 (4.6)
Decrease	844 (86.1)	188 (75.5)	543 (94.9)	113 (71.1)	509 (82.8)	335 (91.8)
Mean AGI Change	-$5,187.27	-$3,435.82	-$6,306.28	-$3,904.50	-$5,661.58	-$4,388.09

This subgroup of initially ineligible students undoubtedly profited more by the filing of a supplemental than did either the initially eligible or initially rejected subgroups, in that a decreased AGI results in an increased award, all other variables held constant. There is a strong possibility that initially ineligible applicants, given that they are disappointed with the results of their initial application, are more likely to misuse the supplemental process than the other two subgroups. On the other hand, initially ineligibles may have had higher initial income levels and, consequently, had the potential for larger decreases than the other two groups even in the absence of program abuse. Along the same lines, dependent students may exhibit their modestly greater average decrease in AGI for the same reason; they have higher initial income levels and therefore more "room" to decrease.

Another issue related to initial eligibility status that Table 3.13 brings to light is that over twice as many of the supplemental recipients were ineligible on their first transaction as were eligible. Ineligibles do not outnumber eligibles in the BEOG applicant population,[1/] so it appears that a disproportionate number of initially ineligible applicants received awards based on supplemental applications. Since there is no reason to believe that disaster is more often experienced by ineligibles than by eligibles, this finding suggests that initially ineligible applicants who subsequently file a supplemental may be misusing the supplemental process more often than initially eligibles. On the other hand, an eligible who suffers a disaster is already receiving BEOG assistance and may not necessarily remember that he or she might

1/ This population figure was estimated as follows. The application processor does not routinely report information on how many applicants are eligible on their first transaction. They report how many applicants are eligible on their final transaction. However, approximately two-thirds of the applicant population is eligible for an award. Given that only about 20 percent submit corrections (have more than one transaction) and assuming the worst, that all of these are initially ineligible, the sub-population of initially eligibles comprises, at most, half of the total applicant population.

be eligible for a larger grant through the supplemental process. The ineligible who suffers a disaster is receiving no BEOG funds and may be more acutely aware of the need for financial assistance than the eligible who is already receiving some. Unfortunately, the statistical nature of this study precludes identifying the correct reason for the disproportionately higher number of ineligibles who file supplementals.

The extent and magnitude of AGI change broken out by dependency status and reasons for submitting a supplemental are exhibited in Table A.2. Within supplemental reasons, dependent applicants consistently reported modestly larger average decreases in AGI than independent applicants, but the differences are not particularly large. However, as Table 3.13 summarizes, the average AGI decrease varies by supplemental reason. Separation or divorce of the applicants' parents or the applicant and spouse resulted in an AGI

TABLE 3.13: SUMMARY OF AGI CHANGE WITHIN SUPPLEMENTAL REASONS

AGI Change	Total (% of Column)	Parent/ Spouse Died (% of Column)	Parent/ Spouse Unemployed (% of Column)	Separation/ Divorce (% of Column)	Disaster/ Disability (% of Column)	Applicant Unemployed (% of Column)
Total	978 (100.0)	109 (100.0)	456 (100.0)	51 (100.0)	96 (100.0)	266 (100.0)
Increase	52 (5.3)	13 (11.9)	20 (4.4)	5 (9.8)	7 (7.3)	7 (2.6)
0	84 (8.6)	18 (16.5)	40 (8.8)	2 (3.9)	11 (11.4)	13 (4.9)
Decrease	842 (86.1)	78 (71.6)	396 (86.8)	44 (86.3)	78 (81.3)	246 (92.5)
Mean AGI Change	-$5,180.82	-$4,398.72	-$5,889.09	-$7,706.29	-$4,633.03	-$4,000.63

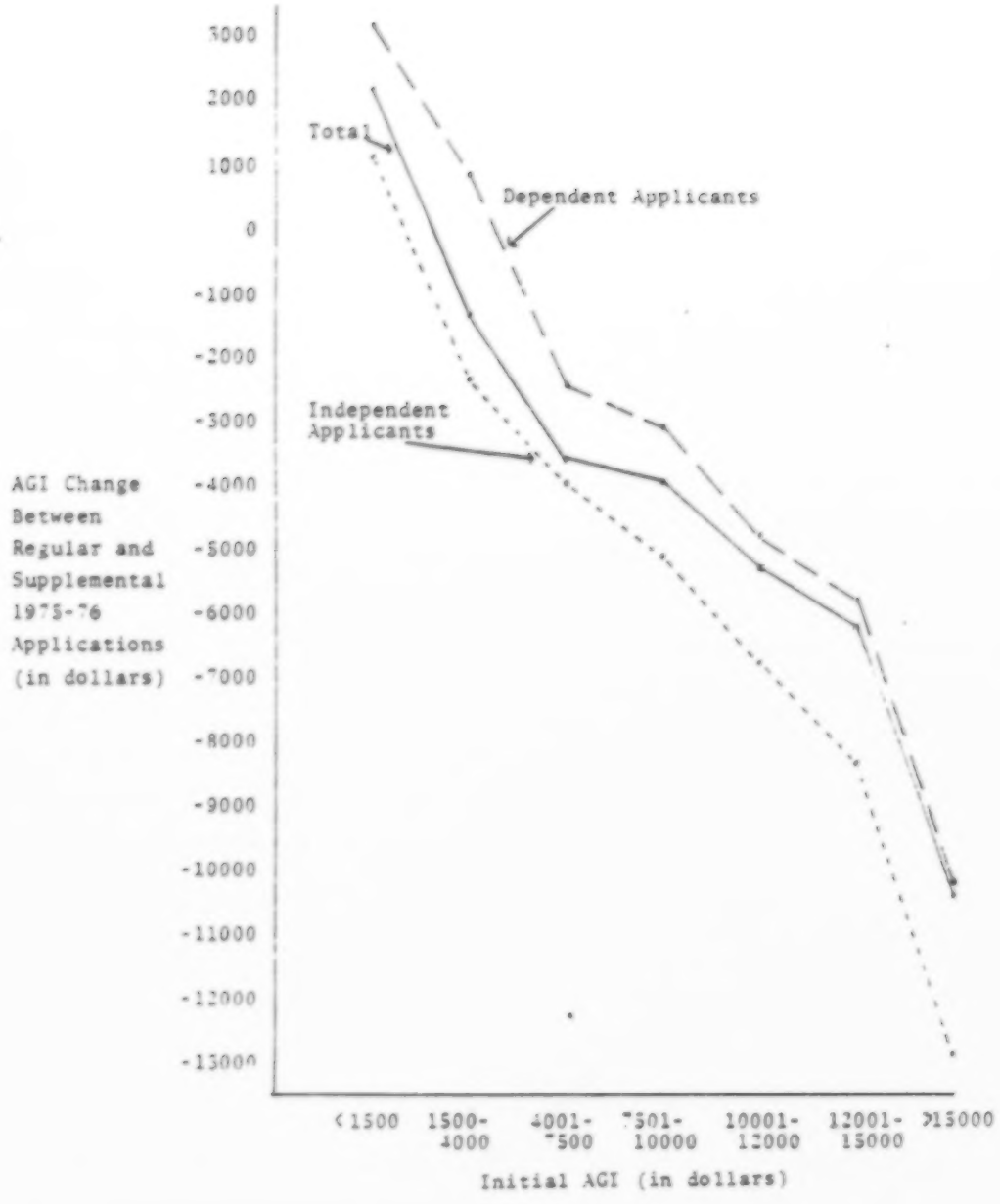
decrease of approximately $2,500 more than the overall average. Parents' or spouses' unemployment also resulted in a larger AGI decrease than the average (approximately $1,700 greater), but this difference is not as dramatic. The fairly large discrepancies in average AGI decrease between supplemental reasons does not necessarily point to program abuse on the part of those applicants who file for the reasons that result in the greatest decreases.

There is no reason to expect that all supplemental conditions have a uniform impact on students' (or students' families) income; conversely, it is difficult to support a hypothesis that one condition should consistently have a greater negative effect than another. While separation/divorce and unemployment may legitimately have a larger negative impact on AGI than the other supplemental reasons, one might also expect that death or a disaster would have the most severe consequences. In the absence of well-defensible expectations about the relative impact on family resources of the five supplemental reasons, the differences in AGI changes between applicants who file for different supplemental reasons cannot be considered to be a definite indicator of program abuse.

When average AGI change between regular and supplemental applications is examined in terms of initial income level (as reported on the initial regular application) and dependency status (see Table A.3), it is apparent that as initial income increases, applicants tend to report decreases in AGI of greater magnitude. That is, the higher an applicant's initial AGI, the more likely he/she is to report a large decrease in AGI between the regular and supplemental forms. Since the sample is comprised exclusively of finally eligible applicants, it may include many initially ineligibles with high-incomes who decreased their AGI sufficiently to enter the eligible range. That is, they had to show large AGI decreases to become eligible. This direct trend applies to both dependent and independent students, as Exhibit 3.1 summarizes.

It is also interesting to note that, at the same initial income level, independent students exhibit larger average AGI decreases than dependent students. In spite of this fact, overall, dependent students had larger average AGI decreases. This is because more independents were clustered on the low-to-middle incomes (where changes are smaller than at the higher end of the income scale), whereas most dependents were clustered at the higher income levels (where net changes are largest). Generally, to become eligible, independents have to have lower incomes than dependents, and thus have to decrease their AGI further to become

EXHIBIT 3.1: AGI CHANGE BY INITIAL AGI AND DEPENDENCY STATUS



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eligible. This finding supports the earlier statement that dependent applicants may exhibit larger AGI decreases because of higher initial incomes and, consequently, having more potential for decrease.

3.3.2: Changes in Student Eligibility Index (SEI)

The submission of a supplemental application following a regular application resulted in an overall average absolute SEI change of -1380 points and an effective change of -678 points.[1/] Both reflect significant changes; the effective change would result in an award increased by several hundred dollars (the exact amount of award at a given SEI level depends on the educational costs at the institution that the applicant attends and whether the student attends full- or part-time).

Table A.4 indicates the range of SEI changes by initial eligibility and dependency status, and these data are summarized in Table 3.14. Even though dependent students reported greater AGI decreases than independent students, independent students exhibited a markedly greater decrease in both absolute and effective SEI than dependent students (e.g., effective changes of -573 and -844, respectively). These two findings are not inconsistent since dependents generally had a higher income to begin with and several variables are used to compute eligibility indices, only one of which is AGI.

Additionally, initially ineligible students exhibited greater effective SEI decreases and far greater absolute SEI decreases than initially eligible applicants,[2/] and the magnitude of the differences between the changes for these two groups is similar for dependent

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[1/] Absolute SEI change is simply the difference between an initial SEI and a final SEI, computed as $SEI_2 - SEI_1$. Effective SEI change is the difference between the two SEIs that has an impact on award amount. Using the same formula, the value of either SEI is maximized at 1200, the maximum value that will result in an award. For example, the absolute SEI change between an initial SEI of 1500 and final SEI of 1000 is -500, but the effective SEI change for these figures is -200 since the change only brought the later SEI 200 points into the eligible range.

[2/] Initially rejected applicants are not included in these analyses since initial SEIs were not computed for them.

TABLE 3.14: MEAN SEI CHANGES BETWEEN REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS FILED IN 1975-76, BY INITIAL ELIGIBILITY STATUS AND DEPENDENCY STATUS

Dependency Status	Mean SEI Change	
	Effective	Absolute
Total	-678.71 (n=850)	-1379.56 (n=850)
Dependent	-572.55 (n=518)	-1097.02 (n=518)
Independent	-844.34 (n=332)	-1820.38 (n=332)

Eligibility Status	Mean SEI Change	
	Effective	Absolute
Total	-678.71 (n=850)	-1379.56 (n=850)
Initially Eligible	-429.98 (n=257)	-863.85 (n=257)
Initially Eligible	-786.51 (n=593)	-1789.84 (n=593)

and independent applicants. Average effective and absolute SEI change are virtually identical for initially eligibles since their initial SEIs were, by definition, 1200 or less and very few applicants obtained an increased SEI (3.5%). The last row of Table 3.17 indicates the mean effective SEI changes for subgroups of applicants differentiated by initial eligibility and dependency status. Regardless of dependency status, initially ineligible applicants exhibited a greater decrease in effective SEI than initially eligible applicants and, regardless of initial eligibility status, independent applicants exhibited a greater decrease in effective SEI than dependent applicants. However, initially ineligibles had a potential effective decrease of 1200 points, while initially eligibles had a potential decrease of less than 1200 points, probably 800 points on the average. While the differences in average SEI changes between initially eligibles and ineligibles and/or between dependent and independent students may be valid, the data cannot rule out the possibility that either initially ineligibles or independent students are more likely to abuse the supplemental process. Other reason for the between group differences is plausible.

As with AGI changes, applicants who filed for different supplemental reasons exhibited different average effective SEI changes (see Table A.5 and summary presented in Table 3.15). Further, the pattern of differences between dependent and independent students is similar across all supplemental reasons. Applicants who filed supplemental applications because of separation/divorce or applicants' unemployment exhibited the highest average effective SEI decreases. Interestingly, even though applications submitted because of a spouse's or parent's unemployment resulted in larger than average AGI decreases, the same group of applications resulted in smaller than average effective SEI decreases. As with the relationship of supplemental reasons to AGI change, there is no reason to expect that all conditions which permit the submission of a supplemental application have a uniform impact on students' financial resources and, in turn, eligibility for a Basic Grant award. Therefore, it is difficult to even hypothesize whether the greater SEI decreases that result

TABLE 3.15: MEAN EFFECTIVE SEI CHANGES BETWEEN REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS FILED IN 1975-76, BY SUPPLEMENTAL REASON

Supplemental Reason	Effective SEI Change
Total	-678.71 (n=848)
Death of Parent/Spouse	-528.47 (n=40)
Parent/Spouse Unemployed	-608.31 (n=424)
Separation/Divorce	-830.84 (n=50)
Disaster/Disability	-604.25 (n=95)
Applicant Unemployed	-827.44 (n=239)

from supplementals submitted because of separation/divorce or applicants' unemployment represent a legitimate difference or a means of program misuse. At any rate, it is an area that merits some special attention from the Basic Grant program.

Table A.6 examines applicants' absolute SEI changes in terms their initial SEI and dependency status. As previously noted, independent applicants obtained greater SEI decreases than dependent applicants, but, as the breakout by initial SEI indicates, this may be due to their higher initial SEI levels. For example, while 80 percent of the dependent applicants had initial SEIs of 800 or more, 93 percent of the independent applicants had initial SEIs at the same level. For both dependent and independent applicants, the magnitude of absolute SEI decrease increases with initial SEI levels, in a fairly linear trend. This trend is depicted in Exhibit 3.2. That is, for all applicants who filed an initial regular and final supplemental 1975-76 application, the applicants who had higher initial SEI levels were more likely to obtain a larger absolute decrease in SEI as a result of submitting a supplemental. Almost two thirds of the total group of applicants had an initial SEI that exceeded 800 points and obtained an SEI decrease of more than 800 points; the figures for dependent and independent students are 55 percent and 83 percent, respectively. This finding suggests that, as a group, independent students are more likely to gain through the supplemental application process, in terms of both absolute and effective SEI decreases, and thus may be more likely to misuse the process than dependent students. As discussed previously, the data cannot directly indicate the reason for this difference - whether it is a valid difference or reflects a misuse of the process by independent students. The most that can be said is that there is a possibility that independent students are more likely to misuse the supplemental process than dependent students.

3.3.3: Mean Changes to Key Application Entries

The changes to the key SER elements that were exhibited by the submission of a supplemental application following a regular application are summarized in Table 3.16. For the entire sample, all entries except other income and net assets decreased with the

EXHIBIT 3.2: ABSOLUTE SEI CHANGE BY INITIAL SEI AND DEPENDENCY STATUS

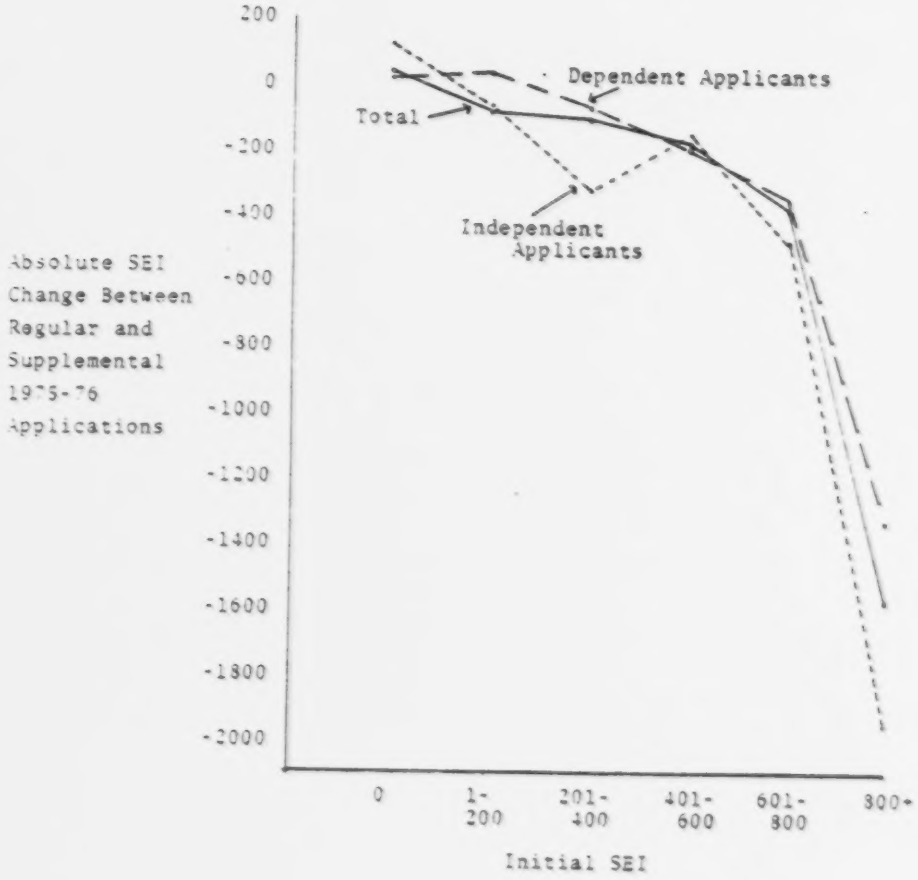

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TABLE 3.16: MEAN CHANGE[1/] IN KEY APPLICATION ENTRIES BETWEEN REGULAR AND SUPPLEMENTAL APPLICATIONS FILED IN 1975-76, BY SUPPLEMENTAL REASON

Application Entries	Total	Death of Parent/Spouse			Parent/Spouse Unemployed		
		Total	Dependent	Independent	Total	Dependent	Independent
Adjusted Gross Income (AGI) (missing cases: 47)	-$5,180.82 (n=978)	-$4,398.72 (n=109)	-$4,466.28 (n=106)	-$2,011.33 (n=3)	-$5,889.09 (n=456)	-$5,961.04 (n=401)	-$5,364.47 (n=55)
Student Eligibility[2/] Index (SEI) (missing cases: 177)	-1,374.22 (n=848)	-931.38 (n=40)	-939.49 (n=39)	-615.00 (n=1)	-1,113.04 (n=424)	-1,081.21 (n=372)	-1,340.77 (n=52)
Taxes Paid (missing cases: 504)	-$773.01 (n=521)	-$823.13 (n=61)	-$857.14 (n=58)	-$165.67 (n=3)	-$1,045.85 (n=230)	-$1,089.03 (n=201)	-$746.59 (n=29)
Other Income (missing case: 200)	$306.46 (n=825)	$809.19 (n=96)	$833.88 (n=95)	-$1,537.00 (n=1)	$303.95 (n=380)	$333.74 (n=328)	$116.06 (n=52)
Household Size (missing case: 166)	-0.08 (n=859)	-0.25 (n=116)	-0.26 (n=113)	0.0 (n=3)	0.05 (n=457)	0.04 (n=400)	0.12 (n=57)
Net Assets (missing cases: 5)	$388.25 (n=1020)	$7,710.91 (n=121)	$7,906.74 (n=118)	$8.33 (n=3)	$270.36 (n=471)	$307.46 (n=412)	$11.29 (n=59)
Veterans' Benefits (missing cases: 349)	-$176.10 (n=676)	-$114.61 (n=72)	-$117.88 (n=70)	$0.0 (n=2)	-$39.52 (n=307)	-$16.74 (n=266)	-$187.32 (n=41)

[1/] Change is computed on basis of all applicants who filed an initial regular and subsequent supplemental applications; therefore, table includes applicants who did not change a given entry.

[2/] Absolute SEI change.

Total cases: 1025

TABLE 3.16: (continued)

Applicants' Parents/Applicant and Spouse Separated/Divorced			Disaster/Disability			Applicant Unemployed
Total	Dependent	Independent	Total	Dependent	Independent	Independent
-$7,706.29 (n=51)	-$7,999.69 (n=32)	-$7,212.16 (n=19)	-$4,633.03 (n=96)	-$4,708.35 (n=75)	-$4,364.05 (n=21)	-$4,000.63 (n=266)
-1,815.18 (n=50)	-1,599.33 (n=33)	-2,234.18 (n=17)	-1,223.24 (n=95)	-1,020.90 (n=73)	-1,894.64 (n=22)	-1,879.46 (n=239)
-$912.53 (n=30)	-$891.42 (n=19)	-$949.00 (n=11)	-$510.90 (n=49)	-$555.67 (n=39)	-$336.30 (n=10)	-$394.52 (n=151)
$107.33 (n=45)	$7.00 (n=28)	$272.59 (n=17)	$80.65 (n=80)	-$82.76 (n=67)	$922.85 (n=13)	$215.92 (n=224)
-1.21 (n=53)	-1.19 (n=36)	-1.24 (n=17)	-0.04 (n=90)	-0.03 (n=76)	-0.14 (n=14)	0.05 (n=143)
$2,228.44 (n=55)	$2,726.08 (n=36)	$1,285.53 (n=19)	-$1,821.85 (n=100)	-$2,131.96 (n=78)	-$722.36 (n=22)	-$384.32 (n=273)
-$94.44 (n=36)	$0.0 (n=23)	-$261.54 (n=13)	-$307.53 (n=55)	$0.0 (n=43)	-$1,409.50 (n-12)	-$380.72 (n=206)

submission of a supplemental. The increases in other income for all supplemental reasons probably represents forms of payment that are a direct result of the circumstance that permitted the submission of a supplemental: unemployment or disability compensation, alimony or child support, etc. The overall modest increase in net assets is a result of the large increases for applicants who filed because of a spouse's or parent's death, which probably reflects the receipt of life insurance benefits. Applicants who filed for all other reasons reported a loss in net assets. As noted in earlier sections, AGI and, correspondingly, taxes paid demonstrated a large decrease; this is not surprising since all supplemental reasons directly result in a loss of income (although not necessarily a loss of the same magnitude). Other entries reflect more modest changes.

There is no consistent pattern related to the relationship between supplemental reasons and direction and/or magnitude of change to the total group of application entries. In terms of patterns in individual entries, the death of a parent or spouse resulted in larger than average increases in other income and net assets and decreases in household size - all of which appear consistent with the expected impact of such a circumstance. Unemployment of a parent or spouse resulted in larger than average increases in other income and decreases in AGI and taxes paid which also seem consistent with the expected impact of unemployment. Applicants' own unemployment, on the other hand, had a differential impact on other areas - it resulted in larger than average decreases in SEI and veterans' benefits. Perhaps applicant unemployment results in smaller than average decreases in AGI and taxes paid because independent students' initial incomes are lower than dependent students'. A disaster or disability resulted in larger than average decreases in veterans' benefits, which may reflect a partial loss of educational benefits if the applicant is only able to attend

school on a decreased basis due to the disaster or disability. Finally, separation or divorce had a large differential impact in several areas: AGI and taxes paid decreased far more than the average, net assets showed the most substantial loss, while the average was an increase, and SEI decrease was modestly larger than the average. While the magnitude of these changes seem consistent with the expected impact of a separation or divorce (loss of one adult's income, division of property, etc.), this supplemental reason had the most dramatic impact on application entries and, for this reason alone, supplemental applications filed due to separation/divorce merit further study for the possibility of erroneous changes.

Across all supplemental reasons, the overall extensiveness of changes in application entries may indicate that students are inappropriately changing entries on the regular application that they submit with the supplemental. However, within the scope of this study, it cannot be determined if these changes were made to correct original erroneous entries, reflect valid changes in applicants' status since the original regular application was filed, or reflect inappropriate use of the supplemental process.

3.3.4: Processing Date Intervals Between 1975-76 Regular and Supplemental Applications

This section examines the length of time that transpired between the processing of applicants' initial regular and final supplemental 1975-76 application. This processing interval is an approximation of the interval between applicants' submission of initial and final applications. The intent of this analysis was to determine whether a systematic relationship exists between length of interval and extent of changes to SERs and/or reasons for filing a supplemental.

Within the subsample of applicants who filed both an initial regular and final supplemental 1975-76 application, the average processing interval was 16.8 weeks. Average intervals were very

similar for initially eligible, ineligible, and rejected students,[1] although average intervals differed somewhat according to students' reasons for filing a supplemental. However, there is no reason to expect consistency in processing intervals between supplemental reasons, due to the unpredictable nature of the conditions which permit the submission of a supplemental form. Applicants who filed because of separation/divorce or disaster/disability had the longest intervals (20.4 and 19.5 weeks, respectively), while independent students who filed because of their own unemployment had the shortest interval (15.0 weeks).[2] However, even these differences due to supplemental reason are not particularly sizeable and do not appear to be inconsistent with the expected impact of the various circumstances.

Finally, the direction and extent of AGI and effective SEI change are unrelated to the processing intervals between regular and supplemental applications in the total sample; furthermore, the same lack of relationship between AGI and effective SEI change vs. processing interval was found for subgroups differentiated according to initial eligibility and supplemental reason. Tables to support these findings are located in Appendix A (Tables A.7-A.8).

3.3.5: Summary of Changes in Basic Grant Applications Between 1975-76 Regular and Supplemental Submissions

The reader is again reminded that the findings related to this issue pertain only to the subgroup of applicants who, during 1975-76, filed an initial regular application and a final supplemental application. This group represents slightly less than half of the total sample of 1975-76 supplemental applicants for this study, and does not include any students whose initial 1975-76 application was a supplemental. The issue of change between a regular and

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[1] 17.8, 16.6, and 16.2 weeks, respectively.

[2] The intervals for death of parent/spouse and unemployment of parent/spouse are 16.4 and 17.0 weeks, respectively.

supplemental form on which this section focuses is irrelevant for those whose initial submission was a supplemental form.

Over twice as many of the supplemental applicants had been ineligible on their first transaction as had been eligible. Overall, applicants reported a decrease in AGI of -$5,187 on the average - dependent students reported a somewhat larger decrease and independent students reported a slightly smaller decrease (-$5,662 and -$4,388, respectively). Further, regardless of dependency status, initially ineligible applicants obtained a far greater decrease in AGI than either initially eligible or initially rejected applicants. This may be somewhat attributable to their larger initial AGI. In terms of the circumstances that preceded submission of a supplemental, the largest AGI decreases resulted from separation/divorce of the applicants' parents or the applicant and spouse and from spouses' or parents' unemployment. Finally, the applicants with the highest initial income levels reported the greatest decrease in AGI, which probably reflects their larger potential for AGI decrease (the magnitude of AGI decrease cannot exceed initial income because the minimum income is zero - negative incomes, if reported, are treated as zero income).

Overall, supplemental filers who had submitted an initial regular application decreased their initial SEI by -1380 absolute points and -678 effective points. Independent students' supplementals resulted in larger SEI decreases than dependent students; approximately -250 effective points more. Regardless of dependency status, initially ineligible applicants obtained far greater effective SEI decreases than initially eligible applicants, and initially ineligible independent applicants obtained larger SEI decreases than any other subgroup. As with AGI change, separation/divorce of the applicants' parents or the applicant and spouse resulted in the largest effective SEI decreases. Applicants' unemployment also resulted in larger than average effective SEI

decreases. Applicants with the highest initial SEI levels also exhibited the largest SEI decreases, which again reflects their greater potential for decrease.

For all of the application entries except for other income and net assets, the submission of a supplemental resulted in a decrease in the entry from the value on the initial regular application. Mean changes to the entries varied by supplemental reasons although, for the most part, the differential changes according to supplemental reasons seem consistent with the expected impact of the various circumstances. However, separation/divorce resulted in the most entries that were fairly divergent from the overall mean value and represent a possible means of program abuse. The length of time that transpired between the submission of the regular and supplemental 1975-76 applications is unrelated to either the direction or magnitude of SER change.

3.4: Change Between 1975-76 Supplemental Applications and 1976-77 Applications

The main purpose for examination of differences between applicants' 1975-76 supplementals and their 1976-77 regular applications (if any) is to assess the accuracy of the various estimates made on the 1975-76 supplemental. Applicants were required to estimate their income, taxes paid, and other income for 1975 on their 1975-76 supplemental, as opposed to reporting their actual 1974 income on a regular form which would be used by the application processor to estimate their 1975 income and, consequently, need for a Basic Grant. In the same manner, 1976-77 regular applications required the report of actual 1975 income. Therefore, for the subgroup of applicants who submitted a 1976-77 regular form (N=1416), their 1975 estimates may be compared with their actual 1975 figures and an assessment of the accuracy of the estimates may be undertaken. The estimates were the basis for determination of eligibility for a 1975-76 award, and underestimation results in payment of an excessive award to the student.

Secondly, differences between 1975-76 supplemental applications are examined to assess the impact of filing supplementals in two consecutive years. These analyses are based on the subgroup of applicants who filed supplementals in each of the consecutive years, 1975-76 and 1976-77 (N=201). Although applicants are not prohibited from submitting a supplemental in two consecutive years, one would expect that few applicants would experience such catastrophic circumstances on a recurring basis.

3.4.1: Accuracy of 1975-76 Supplemental Estimates

On the average, applicants estimated their 1975 AGI within $435 of the actual amount, although the estimate typically was lower than the actual AGI (see Table A.10 and summary in Table 3.17). Independent students made far more accurate estimates than dependent students: independents underestimated their 1975 AGI by an average of $189, while dependent students underestimated by an average of $571. In terms of the distribution of AGI change, one-third of the applicants overestimated their 1975 income, and 12 percent made a completely accurate estimate. On the whole, the income estimates appear to be fairly accurate, especially given the unknown effects of the supplemental circumstances at the time of supplemental submission. The discrepancy between accuracy of estimates made by dependent and independent students may be due to the overall higher income levels for dependent students, which provide more room for error.

This finding contradicts some of the earlier indications of potential supplemental misuse by independent students in terms of disproportionately large changes between 1975-76 regular and supplemental applications. Based on this set of findings related to accuracy of AGI figures, it appears that independent students more accurately estimated their 1975 financial situations. In addition, it appears that 1975 AGI estimates were reasonably accurate for the entire sample, regardless of dependency status.

TABLE 3.17: SUMMARY OF ACCURACY OF 1975 AGI ESTIMATES

AGI Change	Total (% of Column)	1975-76 Dependency Status: Dependent (% of Column)	1975-76 Dependency Status: Independent (% of Column)
Total	1338 (100.0)	862 (100.0)	476 (100.0)
Increase	726 (54.3)	494 (57.3)	232 (48.7)
0	161 (12.0)	56 (6.5)	105 (22.1)
Decrease	451 (33.7)	312 (36.2)	139 (29.2)
Mean AGI Change	$435.19	$571.30	$188.70

However, a major problem with this line of reasoning regarding the accuracy of 1975-76 AGI figures is the assumption of the accuracy of financial data reported on the 1976-77 regular application. The conclusion of fairly accurate 1975-76 supplemental estimates is invalid if actual 1975 data were inaccurately reported on 1976-77 regular applications. A previous Applied Management Sciences' study investigated the accuracy of 1974-75 supplemental estimates by comparing 1974 supplemental estimates with two different sources of actual 1974 income: the 1975-76 regular application, and 1974 Internal Revenue Service tax return. AGI discrepancies were significantly smaller when the basis of comparison was the 1975-76 regular application. The 1974 income estimates appeared to be far less accurate when compared to 1974 IRS data. If it is assumed that most individuals are more likely to report their income accurately to the IRS than on a financial aid application, it appears that using the Basic Grant application as a basis of comparison

minimizes the true discrepancy between estimated and actual income. Therefore, the picture of fairly accurate AGI figures that results from this study is probably overly optimistic. Many students may have simply reported their 1975 estimated figures on their 1975-77 regular application, regardless of their actual 1975 income. This hypothesis is supported by the fact that 12 percent of the sample had no discrepancy at all between their estimated and actual 1975 AGI, and over half (52%) had discrepancies of ± $1,500. Within the scope of this study, it is impossible to determine the accuracy of 1975 data reported on 1976-77 regular applications, but it seems likely that the magnitude of discrepancies determined with the 1976-77 data as a basis of comparison is underestimated, and the 1975 supplemental estimates are actually much less accurate than this comparison indicates.

3.4.2: Change Between 1975-76 and 1976-77 Supplementals

Of the entire sample of 1975-76 supplemental filers, 213 applicants (9%) also submitted a supplemental application in the following year, 1976-77. This section examines differences between 1975-76 supplemental entries and 1976-77 supplemental entries for this group of repeat supplemental filers to explore the impact of submitting a supplemental application for the second year. Unlike the comparisons between 1975-76 supplemental AGI estimates and actual 1975 AGI reported on 1976-77 regular applications, applicants are not expected to report the same AGI figures on both applications. Knowing that the submission of a 1975-76 application usually resulted in a substantial reduction in AGI over the figures reported on initial regular 1975-76 applications, the further impact of submitting a supplemental for an additional year was investigated. It was expected that 1976-77 estimated figures would be lower than 1975-76 estimated figures or else there would have been no reasons for these applicants to file a 1976-77 supplemental as well.

This subgroup of repeat supplemental filers reported an estimated 1976 AGI that was, on the average, almost $2,000 lower than their estimated 1975 AGI (see Table A.11). Table 3.18 summarizes the differences in estimated AGI between these applicants' 1976-77 supplementals and 1975-76 supplementals. The AGI change differences between independent and dependent students is fairly small and therefore, it appears that repeat supplemental filers demonstrate very similar AGI change patterns--patterns of substantial reduction in AGI estimates between 1975-76 and 1976-77--regardless of dependency status.

TABLE 3.18: SUMMARY OF AGI CHANGE BETWEEN 1975-76 AND 1976-77 SUPPLEMENTALS

		1975-76 Dependency Status	
AGI Change	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)
Total	190 (100.0)	127 (100.0)	63 (100.0)
Increase	58 (30.5)	45 (35.4)	13 (20.6)
0	10 (5.3)	9 (7.1)	1 (1.6)
Decrease	122 (64.2)	73 (57.5)	49 (77.8)
Mean AGI Change	-$1,929.35	-$1,851.86	-$2,085.57

In spite of this average decrease, however, almost one-third of the applicants reported an estimated 1976 AGI that was higher than their 1975 estimate. Unfortunately, this group's actual 1975 AGI figures are not reported since they did not file a 1976-77 regular application; a likely explanation for this phenomenon is that these applicants may have underestimated their 1975 AGI so that, even though their 1976 estimates are higher than their 1975 estimates, the 1976 estimates may still be lower than their actual 1975 AGI figures, and thus they needed to submit a 1976-77 supplemental.

Table A.12 examines differences in SEI between 1976-77 supplementals and 1975-76 supplementals. The SEI changes for the entire group were in the positive direction, which represents an increased 1976-77 SEI over the 1975-76 SEI. On the whole, then, repeat supplemental filers became less eligible for an award on their second supplemental filing. As the following summary figures indicate (Table 3.19), slightly over half of the repeat supplemental filers had an increased SEI for 1976-77. However, the magnitude of these increases are small. While absolute SEI difference was over 200 points, the effective SEI change was only 19 points, a figure that makes only a slight difference in the award amount.

Dependent and independent students changed their SEIs between the two supplementals in different manners, however. While dependent students had an effective SEI increase of 44 points, which decreased their eligibility for an award, independent students had an effective decrease of -43 points, which had the effect of increasing their award eligibility, albeit a very small amount. Therefore, the effective change differences between 1975-76 and 1976-77 SEIs were very small for repeat supplemental filers, regardless of dependency status.

Slightly over half (54%) of the 213 repeat supplemental filers submitted their 1976-77 supplemental for the same reason they had filed their 1975-76 supplemental (see Table 3.20). This figure represents a very small proportion of the sample (2.2%) and thus repeat supplemental filing for the same reason is not a widespread phenomenon. It could, nevertheless, represent a significant form of misreporting. Almost two thirds of this group of applicants filed consecutive supplementals because of their parents' or spouses' unemployment, a circumstance which could be experienced in consecutive years. One likely reason for unemployment in consecutive years is that some applicants' spouses or parents may be employed in seasonal occupations that tend to experience annual lay-offs. However, approximately one-fourth of this group filed because of the

TABLE 3.19: SUMMARY OF SEI DIFFERENCES BETWEEN 1975-'6 AND 1976-77 SUPPLEMENTALS

SEI Change	Total		Dependent		Independent	
	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)
Total	168 (100.0)	168 (100.0)	120 (100.0)	120 (100.0)	48 (100.0)	48 (100.0)
Increase	86 (51.2)	85 (50.6)	66 (55.0)	65 (54.2)	20 (41.2)	20 (41.2)
0	18 (10.7)	19 (11.3)	11 (9.2)	12 (10.0)	7 (14.6)	7 (14.6)
Decrease	64 (38.1)	64 (38.1)	43 (35.8)	43 (35.8)	21 (43.8)	21 (43.8)
Mean SEI Change	228.71	19.23	291.78	44.18	71.04	-43.17

death of a parent or spouse, which seems to be a highly unlikely event to experience on a recurring basis. The rate of repeat supplemental filing for the same reason is sufficiently high to represent an area of potential misreporting, although not necessarily program abuse (since the misreporting could be unintentional). Applied Management Sciences' involvement in SER validation suggests that, in circumstances such as these, students may not understand the appropriate reasons for filing a supplemental form.

TABLE 3.20: EXTENT TO WHICH STUDENTS FILE MORE THAN ONE SUPPLEMENTAL BASIC GRANT APPLICATION IN CONSECUTIVE YEARS (1975-76 and 1976-77) FOR THE SAME REASON, AND RESULTANT AGI AND SEI CHANGES

Supplemental Reasons	Changes Between 1975-76 Regular and Supplemental Applicants		Changes Between 1975-76 Supplemental Application and 1976-77 Supplemental Application	
	Mean Effective SEI Change (Missing cases: 58)	Mean AGI Change (Missing cases: 43)	Mean Effective SEI Change (Missing cases: 18)	Mean AGI Change (Missing cases: 11)
Total	- 568.95 (n=58)	-$5,590.62 (n=73)	81.96 (n=98)	-$1,578.19 (n=105)
Death of Parent/Spouse	- 704.64 (n=11)	-$5,601.90 (n=21)	34.27 (n=26)	-$1,283.83 (n=30)
Parent/Spouse Unemployed	- 552.68 (n=40)	-$5,872.98 (n=44)	98.43 (n=63)	-$1,847.25 (n=63)
Applicants' Parents/Applicant and Spouse Separated/Divorced	95.00 (n=1)	-$1,562.00 (n=1)	-56.00 (n=1)	-$ 460.00 (n=1)
Disaster/Disability	- 539.33 (n=6)	-$4,357.43 (n=7)	124.50 (n=8)	-$ 941.64 (n=11)
Applicant Unemployed	*	*	*	*

Total cases: 116 (Applicants who filed supplementals in 1975-76 and 1976-77 for the same reason)

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SUMMARY AND RECOMMENDATIONS

This study is based upon a sample of 2,479 applicants whose 1975-76 SER of record (final transaction) was an eligible supplemental application. Other pertinent sample characteristics include:

- Dependent students and independent students comprised 58 percent and 42 percent of the sample, respectively.
- The predominant reasons for filing 1975-76 supplementals related to unemployment. In the case of dependent students, 65 percent filed because of their parents' unemployment, while 70 percent of the independent students filed because of their own unemployment and an additional 20 percent filed due to their spouses' unemployment.
- Less than one-fourth of the sample filed a 1974-75 application, and only three of these 1974-75 applications were supplementals. In contrast, almost two-thirds of the sample filed a 1976-77 application, and 9 percent of the entire sample filed a 1976-77 supplemental.
- The 1975-76 supplemental SER of record was an initial application for 1,454 of the sampled applicants (58%). The other 1,025 applicants (42%) filed their eligible 1975-76 supplemental after a regular application had already been filed. There were few systematic differences in SER entries between these two groups of applicants, except that the applicants whose supplemental was an initial application had an average SEI of 75 points higher than the other group's average SEI.
- The sampled applicants seldom changed their dependency status, either within the 1975-76 application years or across application years (1974-75 to 1975-76 or 1975-76 to 1976-77).

- Dependent applicants, on the average, had higher 1975-76 supplemental SER entries than independent applicants.

For that subgroup of applicants who had filed an initial regular and final supplemental 1975-76 application (N=1025), the changes between these two applications were examined. The major changes are summarized as follows:

- Adjusted gross income decreased by an average of $5,187. Dependent students had a larger decrease than independents ($5,662 vs. $4,388). Initially ineligibles had a larger decrease that initially rejected or initially eligible students ($6,306). These findings are explained, at least in part, by the fact that dependents and initially ineligibles had higher initial AGIs and, thus, had more "room" to decrease.
- Twice as many of this subgroup were initially ineligible as were initially eligible.
- The average absolute SEI decrease was 1,380, while the average effective SEI decrease was 678 points. Independent students had a larger effective SEI decrease than dependents, and initially ineligibles had the largest effective SEI decrease. Again, these findings are explained, at least in part, by the fact that independents and initially ineligibles had higher initial SEIs and, thus, more "room" to decrease their SEIs.
- Entries other than the ones allowed to be estimated on the supplemental form changed between the regular and supplemental application. All SER entries decreased, except for other income and net assets. These decreases could represent changes (corrections) to erroneous initial SER data, legitimate changes in applicants' financial status between the two filing dates, or an inappropriate use of the supplemental process.
- There was no relationship between the length of time that transpired between processing of regular and supplemental applications and either the nature or extent of SER change.
- The supplemental reason associated with the largest AGI and SEI decrease was separation/divorce. Also, applicant unemployment was associated with a larger than average SEI decrease.

For that subgroup of applicants who had filed a 1976-77 regular application as well as their 1975-76 supplemental (N=1416), the

accuracy of their 1975 AGI estimates was examined. That is, their 1975 estimated AGI, as reported on their 1975-76 supplementals, was compared to their actual 1975 AGI, as reported on their 1976-77 regular application. The accuracy of 1975 estimates can be summarized as follows:

- On the average, applicants' actual 1975 AGI was $435 higher than their estimated 1975 AGI.
- Independent and dependent students underestimated their actual 1975 AGI by an average of $189 and $571, respectively. Independents, then, made more accurate 1975 income estimates.

On the basis of these data, applicants made fairly accurate estimates of their 1975 AGI.

Finally, 213 of the sampled applicants (9%) submitted a supplemental application again in 1976-77. To explore the impact of "repeat" supplemental filing in consecutive years, the differences between 1975 and 1976 AGI estimates and 1975-76 and 1976-77 SEIs were examined for this subgroup.

- Estimated 1976 AGI was, on the average, $2,000 lower than the 1975 estimated figure. The 1975-76 and 1976-77 supplemental SEIs were almost identical, which implies that 1975-76 and 1976-77 Basic Grant award amounts were very similar for this group of repeat supplemental filers.
- One-half of these repeat supplemental filers, or 116 applicants (4.7% of the entire sample), submitted both supplementals <u>for the same reason</u>. For 63 applicants, the repeated reason was parent/spouse unemployment, which is an event likely to occur in two consecutive years. However, 30 applicants filed repeat supplementals because of parent/spouse death (1.2% of all sampled applicants).

On the whole, since this is a statistical study and did not explore the <u>reasons</u> for the changes which are described, it is impossible to determine the legitimacy of these changes and/or assess whether the changes represent program misuse--either intentional or unintentional. Nonetheless, there are three major recommendations which emerge from this study. These are outlined in the following discussion.

First of all, the primary thrust of this study was to assess the accuracy of estimated 1975 adjusted gross income (AGI). The accuracy of 1975-76 supplemental estimates is similar to the accuracy of 1974-75 estimates which were examined in Applied Management Sciences' previous estimated income studies. Although the data are not directly comparable, 47 percent of the 1974-75 supplemental estimates were within ± $1,000 of the AGI figures reported on the 1975-76 regular applications, whereas 52 percent of the 1975-76 supplemental estimates were within ±$1,500 of the 1976-77 regular application AGI figures. Consequently, the accuracy rate appears to be similar across supplemental years. Returning to the accuracy of 1975-76 income estimates, given the similarity between estimated 1975 AGI and actual 1975 AGI reported on 1976-77 regular application, on the surface it seems reasonable to conclude that estimated 1975 AGI figures were surprisingly accurate. As discussed at length in Chapter 3, however, this line of reasoning depends on the assumption that the reported actual 1975 AGI figures are, indeed, valid and accurate. In the absence of validation activities concentrated on these 1976-77 applications or data concerning any of the applications which may have been validated, it is impossible to determine the accuracy of these reported "actual" 1975 AGI figures.

Therefore, to conclusively determine the accuracy of actual income figures for any year for which estimates were made on supplemental forms, Applied Management Sciences recommends that the Bureau of Student Financial Assistance conduct a validation study on a sample of regular applicants who had filed a supplemental application the previous year. For example, a sample of applicants who had filed a 1977-78 supplemental and who submit a 1978-79 regular application could be selected for 1978-79 validation activities. Following validation, data from their 1977-78 and 1978-79 transactions could be compared to conclusively determine the accuracy of their estimated 1977 AGI figures. Conduct of this type of investigation and subsequent statistical analysis of

the results of the investigation are the only manner in which to accurately address the critical issue of accuracy of supplemental income estimates.

Secondly, several of the findings from this study suggest that students may not fully understand the circumstances under which supplemental forms may be submitted and/or which data elements may be estimated. For example, a subgroup of the applicants who had filed an initial regular and final supplemental 1975-76 application, albeit a small subgroup (53 students or 5.3%), reported an increase in AGI between the two transactions. Many applicants changed regular application entries other than the ones requested to be estimated on the supplemental, and at least some of the changes may be erroneous. Furthermore, a small but significant group of applicants (about 5%) filed supplementals in consecutive years for the same reason. These occurrences do not conclusively indicate misunderstanding of the supplemental process, but rather suggest that some students may not fully understand the appropriate procedures for submitting a supplemental form.

Therefore, Applied Management Sciences suggests that the BSFA take additional steps to clearly and simply communicate to prospective supplemental applicants the appropriate circumstances under which a supplemental may be filed and the appropriate procedures for submitting a regular application concurrently with the supplemental form. The instructions that accompany the supplemental and regular application forms do not indicate whether the entries on the regular form which accompanies the supplemental may differ from those on the student's initial regular application, and, if they may differ, under what circumstances they may differ (other than making corrections to erroneous entries). An additional step to clarify the instructions could possibly take the form of a fact sheet or a question-and-answer sheet to be distributed along with blank supplemental forms. Furthermore, the Bureau of Student Financial Assistance may want to

consider emphasizing appropriate supplemental application procedures in the training and/or information dissemination currently targeted at participating institutions' financial aid officers.

Thirdly, the facts that a disproportionate number of 1975-76 supplemental applicants who filed an initial regular application were initially ineligible and that this group had the largest AGI decreases between regular and supplemental filings are indicators of possible program abuse. As discussed in Chapter 3, there are possible explanations for this phenomenon that do not indicate abuse, but--in the absence of data that justify this occurrence--Applied Management Sciences recommends that the Bureau of Financial Assistance carefully monitor the number of ineligible students who subsequently submit supplemental applications. For example, the production statistics that are routinely generated by the application processor could include a breakdown in the number of supplemental applicants by prior eligibility status. By this means, the Bureau of Student Financial Assistance could determine overall trends and changes in initially ineligible students who submit supplementals and, consequently, assess whether further measures to monitor or validate the need to file supplementals are required for this group of students.

The statistical nature of this report has precluded an assessment of the reasons for between group differences that were observed and/or the legitimacy of the conditions under which students filed supplemental applications (e.g., was the students' parent really unemployed?). The proportion of applicants who file supplementals is still fairly small, and therefore the total impact of misreporting on supplementals is relatively small compared to other sources of potential error in the program. However, if the proportion of supplemental applicants continues to increase, the Bureau of Student Financial Assistance may wish to undertake a validation study of a sample of supplemental applicants to ascertain the legitimacy of the supplemental conditions experienced by the applicant and his/her family.

APPENDIX A

ADDITIONAL TABLES

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TABLE A.1: MAGNITUDE OF INCOME (AGI) CHANGES BETWEEN REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS FILED IN 1975-76, BY INITIAL ELIGIBILITY STATUS AND DEPENDENCY STATUS

	Grand Total		Total		Dependent Students Initially Eligible		Initially Ineligible	
SEI Change	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)
Total	850 (100.0)	850 (100.0)	518 (100.0)	518 (100.0)	190 (100.0)	190 (100.0)	328 (100.0)	328 (100.0)
Increase 800+	1 (0.1)	1 (0.1)	1 (0.2)	1 (0.2)	1 (0.5)	1 (0.5)	*	*
601-800	1 (0.1)	1 (0.1)	1 (0.2)	1 (0.2)	1 (0.5)	1 (0.5)	*	*
401-600	1 (0.1)	1 (0.1)	*	*	*	*	*	*
201-400	4 (0.5)	4 (0.5)	2 (0.4)	2 (0.4)	2 (1.1)	2 (1.1)	*	*
1-200	23 (2.7)	23 (2.7)	21 (4.1)	21 (4.1)	21 (11.1)	21 (11.1)	*	
0	12 (1.4)	12 (1.4)	11 (2.1)	11 (2.1)	11 (5.8)	11 (5.8)	*	
Decrease 1-200	121 (14.2)	59 (6.9)	89 (17.2)	47 (9.1)	44 (23.2)	44 (23.2)	45 (13.7)	(0.9)
201-400	86 (10.1)	45 (5.3)	71 (13.7)	41 (7.9)	23 (12.1)	23 (12.1)	48 (14.6)	18 (5.5)
401-600	102 (12.0)	68 (8.0)	75 (14.5)	57 (11.0)	31 (16.3)	31 (16.3)	44 (13.4)	26 (7.9)
601-800	127 (14.9)	78 (9.2)	74 (14.3)	54 (10.4)	22 (11.6)	22 (11.6)	52 (15.9)	32 (9.8)
800+	372 (43.8)	558 (65.6)	173 (33.4)	283 (54.6)	34 (17.9)	34 (17.9)	139 (42.4)	249 (75.9)
Mean SEI Change	-678.71	-1379.56	-572.55	-1,097.02	-365.17	-369.07	-692.69	-1,518.70

1/ SEI change figures could not be computed for initially rejected applicants since rejected applicants are not assigned an SEI. Therefore, since initially rejected applicants' initial SEI was considered to be missing, they are included among the missing cases for the table.

Total cases: 1025 (applicants who filed initial regular and final supplemental 1975-76 application)

Cases included in table: 850

Missing cases: 175 (including initially rejected applicants)

TABLE A.1: (continued)

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Total		Independent Students Initially Eligible		Initially Ineligible	
Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)
332 (100.0)	332 (100.0)	67 (100.0)	67 (100.0)	265 (100.0)	265 (100.0)
*	*	*	*	*	*
*	*	*	*	*	*
1 (0.3)	1 (0.3)	1 (1.5)	1 (1.5)	*	*
2 (0.6)	2 (0.6)	2 (3.0)	2 (3.0)	*	*
2 (0.6)	2 (0.6)	2 (3.0)	2 (3.0)	*	*
1 (0.3)	1 (0.3)	1 (1.5)	1 (1.5)	*	*
32 (9.6)	12 (3.6)	9 (13.4)	9 (13.4)	23 (8.7)	3 (1.1)
15 (4.5)	4 (1.2)	4 (6.0)	4 (6.0)	11 (4.2)	*
27 (8.1)	11 (3.3)	9 (13.4)	9 (13.4)	18 (6.8)	2 (0.8)
53 (16.0)	24 (7.2)	13 (19.4)	13 (19.4)	40 (15.1)	11 (4.2)
199 (59.9)	275 (82.8)	26 (38.8)	26 (38.8)	173 (65.3)	249 (94.0)
-844.34	-1,920.38	-613.79	-613.79	-902.63	-2,125.44

TABLE A.2: MAGNITUDE OF INCOME CHANGES (AGI) BETWEEN REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS FILED IN 1975-76, BY SUPPLEMENTAL REASON AND DEPENDENCY STATUS

AGI Change	Total (% of Colum)	Death of Parent/Spouse			Parent/Spouse Unemployed		
		Total (% of Colum)	Dependent (% of Colum)	Independent (% of Colum)	Total (% of Colum)	Dependent (% of Colum)	Independent (% of Colum)
Total	978 (100.0)	109 (100.0)	106 (100.0)	3 (100.0)	456 (100.0)	401 (100.0)	55 (100.0)
Increase $15,000+	*	*	*	*	*	*	*
Increase $12,001 - $15,000	1 (0.1)	*	*	*	1 (0.2)	1 (0.2)	*
Increase $10,001 - $12,000	1 (0.1)	*	*	*	*	*	*
Increase $ 7,501 - $10,000	5 (0.5)	1 (0.9)	1 (0.9)	*	2 (0.4)	2 (0.5)	*
Increase $ 4,001 - $ 7,500	9 (0.9)	*	*	*	5 (1.1)	4 (1.0)	1 (1.8)
Increase $ 1,501 - $ 4,000	13 (1.3)	6 (5.5)	6 (5.7)	*	2 (0.4)	2 (0.5)	*
Increase $ 1 - $ 1,500	25 (2.6)	6 (5.5)	6 (5.7)	*	10 (2.2)	8 (2.0)	2 (3.6)
0	84 (8.6)	18 (16.5)	16 (15.1)	2 (66.7)	40 (8.8)	39 (9.7)	1 (1.8)
Decrease $ 1 - $ 1,500	62 (6.3)	11 (10.1)	11 (10.4)	*	22 (4.8)	21 (5.2)	1 (1.8)
Decrease $ 1,501 - $ 4,000	248 (25.4)	20 (18.3)	20 (18.9)	*	84 (18.4)	70 (17.5)	14 (25.5)
Decrease $ 4,001 - $ 7,500	283 (29.1)	18 (16.5)	17 (16.0)	1 (33.3)	145 (31.8)	123 (30.7)	22 (40.0)
Decrease $ 7,501 - $10,000	108 (11.0)	10 (9.2)	10 (9.4)	*	65 (14.3)	57 (14.2)	8 (14.5)
Decrease $10,001 - $12,000	58 (5.9)	5 (4.6)	5 (4.7)	*	35 (7.7)	29 (7.2)	6 (10.9)
Decrease $12,001 - $15,000	53 (5.4)	10 (9.2)	10 (9.4)	*	27 (5.9)	27 (6.7)	*
Decrease $15,000+	30 (3.1)	4 (3.7)	4 (3.8)	*	18 (3.9)	18 (4.5)	*
Mean AGI Change	-$1,180.82	-$4,348.72	-$4,444.28	-$2,011.33	-$1,889.09	-$1,982.06	-$1,344.47

Total cases: 1,525 (applicants who filed initial regular and final supplemental 1975-76 applications)
Cases included in table: 978
Missing cases: 67

TABLE A.2: (continued)

AGI Change	Applicants' Parents/Applicant and Spouse Separated/Divorced			Disaster/Disability			Applicant Unemployed
	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)	Independent (% of Column
Total	51 (100.0)	32 (100.0)	19 (100.0)	96 (100.0)	75 (100.0)	21 (100.0)	266 (100.0)
Increase $15,000+	*	*	*	*	*	*	*
Increase $12,001 - $15,000	*	*	*	*	*	*	*
Increase $10,001 - $12,000	1 (2.0)	1 (3.0)	*	*	*	*	*
Increase $ 7,501 - $10,000	*	*	*	*	*	*	*
Increase $ 4,001 - $ 7,500	1 (2.0)	1 (3.1)	*	3 (3.1)	3 (4.0)	*	*
Increase $ 1,501 - $ 4,000	2 (3.9)	*	2 (10.5)	1 (1.0)	1 (1.3)	*	2 (0.7)
Increase $ 1 - $ 1,500	1 (2.0)	1 (3.1)	*	3 (3.1)	2 (2.7)	1 (4.8)	5 (1.9)
0	2 (3.9)	2 (6.3)	*	11 (11.5)	10 (13.3)	1 (4.8)	13 (4.9)
Decrease $ 1 - $ 1,500	2 (3.9)	2 (6.3)	*	9 (9.4)	5 (6.7)	4 (19.0)	17 (6.4)
Decrease $ 1,501 - $ 4,000	3 (5.9)	*	3 (15.8)	22 (22.9)	15 (20.0)	7 (33.3)	119 (44.6)
Decrease $ 4,001 - $ 7,500	13 (25.5)	8 (25.0)	5 (26.3)	27 (28.1)	22 (29.3)	5 (23.8)	82 (30.7)
Decrease $ 7,501 - $10,000	7 (13.7)	4 (12.5)	3 (15.8)	9 (9.4)	8 (10.7)	1 (4.8)	17 (6.4)
Decrease $10,001 - $12,000	5 (9.8)	2 (6.3)	3 (15.8)	5 (5.2)	4 (5.3)	1 (4.8)	8 (3.0)
Decrease $12,001 - $15,000	8 (15.7)	7 (21.9)	1 (5.3)	4 (4.2)	4 (5.3)	*	4 (1.5)
Decrease $15,000+	6 (11.8)	4 (12.5)	2 (10.5)	2 (2.1)	1 (1.3)	1 (4.8)	*
Mean AGI Change	-$7,706.29	-$7,899.68	-$7,212.16	-$4,833.03	-$4,706.35	-$4,364.04	-$4,800.63

TABLE A.3: MAGNITUDE OF INCOME CHANGES (AGI) BETWEEN REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS FILED IN 1975-76, BY INITIAL INCOME LEVEL AND DEPENDENCY STATUS

		Initial Adjusted Gross Income (AGI): Total Sample							
	AGI Change	Total (% of Column)	Less Than $1,500 (% of Column)	$1,500-$4,000 (% of Column)	$4,001-$7,500 (% of Column)	$7,501-$10,000 (% of Column)	$10,001-$12,000 (% of Column)	$12,001-$15,000 (% of Column)	Over $15,000 (% of Column)
	Total	980 (100.0)	24 (100.0)	121 (100.0)	196 (100.0)	149 (100.0)	129 (100.0)	178 (100.0)	183 (100.0)
Increase	$15,000+	•	•	•	•	•	•	•	•
	$12,001 - $15,000	1 (0.1)	1 (4.2)	•	•	•	•	•	•
	$10,001 - $12,000	1 (0.1)	•	1 (0.8)	•	•	•	•	•
	$ 7,501 - $10,000	3 (0.3)	2 (8.3)	1 (0.8)	•	•	•	•	•
	$ 4,001 - $ 7,500	9 (0.9)	2 (8.3)	5 (4.1)	1 (0.5)	1 (0.7)	•	•	•
	$ 1,501 - $ 4,000	13 (1.3)	5 (20.8)	6 (5.0)	•	2 (1.3)	•	•	•
	$ 1 - $ 1,500	25 (2.6)	1 (4.2)	7 (5.8)	4 (2.0)	7 (4.7)	3 (2.3)	3 (1.7)	•
	0	84 (8.6)	9 (37.5)	6 (5.0)	15 (7.7)	14 (9.4)	17 (3.2)	20 (11.2)	3 (1.6)
Increase	$ 1 - $ 1,500	61 (6.2)	4 (0.4)	19 (15.7)	17 (8.7)	12 (8.1)	4 (3.1)	2 (1.1)	3 (1.6)
	$ 1,501 - $ 4,000	248 (25.3)	•	76 (62.8)	63 (32.1)	44 (29.5)	22 (17.1)	30 (16.9)	13 (7.1)
	$ 4,001 - $ 7,500	285 (29.1)	•	•	96 (49.0)	37 (24.8)	50 (38.8)	61 (34.3)	41 (22.4)
	$ 7,501 - $10,000	109 (11.1)	•	•	•	32 (21.5)	15 (11.6)	31 (17.4)	31 (16.9)
	$10,001 - $12,000	58 (5.9)	•	•	•	•	18 (14.0)	11 (6.2)	29 (15.8)
	$12,001 - $15,000	53 (5.4)	•	•	•	•	•	20 (11.2)	33 (18.0)
	$15,000+	30 (3.1)	•	•	•	•	•	•	30 (16.4)
	Mean AGI Change	-$5,187.27	$2,155.92	-$1,355.02	-$3,562.19	-$3,980.15	-$5,265.81	-$6,143.99	-$10,434.86

Total cases: 1,025 (applicants who filed initial regular and final supplemental 1975-76 applications)
Cases included in table: 980
Missing cases: 45

TABLE A.3: (continued)

AGI Change	Total (% of Column)	Initial Adjusted Gross Income (AGI): Dependent Applicants: Less Than $1,500 (% of Column)	$1,500-$4,000 (% of Column)	$4,001-$7,500 (% of Column)	$7,501-$10,000 (% of Column)	$10,001-$12,000 (% of Column)	$12,001-$15,000 (% of Column)	Over $15,000 (% of Column)
Total	615 (100.0)	12 (100.0)	38 (100.0)	57 (100.0)	83 (100.0)	96 (100.0)	154 (100.0)	175 (100.0)
Increase: $15,000+	•	•	•	•	•	•	•	•
Increase: $12,000 - $15,000	1 (0.2)	1 (8.3)	•	•	•	•	•	•
Increase: $10,001 - $12,000	1 (0.2)	•	1 (2.6)	•	•	•	•	•
Increase: $ 7,501 - $10,000	3 (0.5)	2 (16.7)	1 (2.6)	•	•	•	•	•
Increase: $ 4,001 - $ 7,500	8 (1.3)	1 (8.3)	5 (13.2)	1 (1.8)	1 (1.2)	•	•	•
Increase: $ 1,501 - $ 4,000	9 (1.5)	1 (8.3)	6 (15.8)	•	2 (2.4)	•	•	•
Increase: $ 1 - $ 1,500	17 (2.8)	1 (8.3)	4 (10.5)	2 (3.5)	5 (6.0)	2 (2.1)	3 (1.9)	•
0	67 (10.9)	3 (25.0)	5 (13.2)	9 (15.8)	12 (14.5)	16 (16.7)	19 (12.3)	3 (1.7)
Decrease: $ 1 - $ 1,500	39 (6.3)	3 (25.0)	7 (18.4)	11 (19.3)	9 (10.8)	4 (4.2)	2 (1.3)	3 (1.7)
Decrease: $ 1,501 - $ 4,000	105 (17.1)	•	9 (23.7)	13 (22.8)	26 (31.3)	16 (16.7)	28 (18.2)	13 (7.4)
Decrease: $ 4,001 - $ 7,500	170 (27.6)	•	•	21 (36.8)	16 (19.3)	38 (39.6)	54 (35.1)	41 (23.4)
Decrease: $ 7,501 - $10,000	80 (13.0)	•	•	•	12 (14.5)	10 (10.4)	27 (17.5)	31 (17.7)
Decrease: $10,001 - $12,000	40 (6.5)	•	•	•	•	10 (10.4)	6 (3.9)	24 (13.7)
Decrease: $12,001 - $15,000	48 (7.8)	•	•	•	•	•	15 (9.7)	33 (18.9)
Decrease: $15,000+	27 (4.4)	•	•	•	•	•	•	27 (15.4)
Mean AGI Change	-$5,661.58	$3,210.92	$937.21	-$2,496.10	-$3,094.30	-$4,768.06	-$5,796.65	-$10,322.84

Total cases: 647 (dependent applicants who filed initial regular and final supplemental 1975-76 applications)
Cases included in table: 615
Missing cases: 32

TABLE A.3: (continued)

		Initial Adjusted Gross Income (AGI): Independent Applicants							
	AGI Change	Total (% of Column)	Less Than $1,500 (% of Column)	$1,500-$4,000 (% of Column)	$4,001-$7,500 (% of Column)	$7,501-$10,000 (% of Column)	$10,001-$12,000 (% of Column)	$12,001-$15,000 (% of Column)	Over $15,000 (% of Column)
	Total	365 (100.0)	12 (100.0)	83 (100.0)	139 (100.0)	66 (100.0)	33 (100.0)	24 (100.0)	8 (100.0)
Increase	$15,000+	•	•	•	•	•	•	•	•
	$12,000 - $15,000	•	•	•	•	•	•	•	•
	$10,001 - $12,000	•	•	•	•	•	•	•	•
	$ 7,501 - $10,000	•	•	•	•	•	•	•	•
	$ 4,001 - $ 7,500	1 (0.3)	1 (8.3)	•	•	•	•	•	•
	$ 1,501 - $ 4,000	4 (1.1)	4 (33.3)	•	•	•	•	•	•
	$ 1 - $ 1,500	8 (2.2)	•	3 (3.6)	2 (1.4)	2 (3.0)	1 (3.0)	•	•
	0	17 (4.7)	6 (50.0)	1 (1.2)	6 (4.3)	2 (3.0)	1 (3.0)	1 (4.2)	•
Decrease	$ 1 - $ 1,500	22 (6.0)	1 (8.3)	12 (14.5)	6 (4.3)	3 (4.5)	•	•	•
	$ 1,501 - $ 4,000	143 (39.2)	•	67 (80.7)	50 (36.0)	18 (27.3)	6 (18.2)	2 (8.3)	•
	$ 4,001 - $ 7,500	115 (31.5)	•	•	75 (54.0)	21 (31.8)	12 (36.4)	7 (29.2)	•
	$ 7,501 - $10,000	29 (7.9)	•	•	•	20 (30.3)	5 (15.2)	4 (16.7)	•
	$10,001 - $12,000	18 (4.9)	•	•	•	•	8 (24.2)	5 (20.8)	5 (62.5)
	$12,000 - $15,000	5 (1.4)	•	•	•	•	•	5 (20.8)	•
	$15,000+	3 (0.8)	•	•	•	•	•	•	3 (37.5)
	Mean AGI Change	-$4,338.09	$1,100.92	-$2,375.31	-$3,999.36	-$5,094.17	-$6,713.82	-$8,372.79	-$12,885.38

Total cases: 378 (independent applicants who filed initial regular and final supplemental 1975-76 applications)
Cases included in table: 365
Missing cases: 13

TABLE A.4: MAGNITUDE OF SEI CHANGES BETWEEN REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS FILED IN 1975-76, BY INITIAL ELIGIBILITY STATUS[1/] AND DEPENDENCY STATUS

SEI Change	Grand Total		Total		Dependent Students Initially Eligible		Initially Ineligible		Total		Independent Students Initially Eligible		Initially Ineligible	
	Effective Change (# of Cases)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)
Increase														
0	850 (100.0)	850 (100.0)	518 (100.0)	518 (100.0)	190 (100.0)	190 (100.0)	328 (100.0)	328 (100.0)	332 (100.0)	-332 (100.0)	67 (100.0)	67 (100.0)	265 (100.0)	265 (100.0)
[illegible]	1 (0.1)	1 (0.1)	1 (0.2)	1 (0.2)	1 (0.5)	1 (0.5)	*	*	*	*	*	*	*	*
[illegible]	1 (0.1)	1 (0.1)	1 (0.2)	1 (0.2)	1 (0.5)	1 (0.5)	*	*	*	*	*	*	*	*
[illegible]	1 (0.1)	1 (0.1)	*	*	*	*	*	*	1 (0.3)	1 (0.3)	1 (1.5)	1 (1.5)	*	*
[illegible]	4 (0.5)	4 (0.5)	2 (0.4)	2 (0.4)	2 (1.1)	2 (1.1)	*	*	2 (0.6)	2 (0.6)	2 (3.0)	2 (3.0)	*	*
[illegible]	23 (2.7)	23 (2.7)	21 (4.1)	21 (4.1)	21 (11.1)	21 (11.1)	*	*	2 (0.6)	2 (0.6)	2 (3.0)	2 (3.0)	*	*
0	12 (1.4)	12 (1.4)	11 (2.1)	12 (2.1)	11 (5.8)	11 (5.8)	*	*	1 (0.3)	1 (0.3)	1 (1.5)	1 (1.5)	*	*
[illegible]	121 (14.2)	59 (6.9)	89 (17.2)	47 (9.1)	44 (23.2)	44 (23.2)	45 (13.7)	3 (0.9)	32 (9.6)	12 (3.6)	9 (13.4)	9 (13.4)	23 (8.7)	3 (1.1)
[illegible]	86 (10.1)	45 (5.3)	71 (13.7)	41 (7.9)	23 (12.1)	23 (12.1)	48 (14.6)	18 (5.5)	15 (4.5)	4 (1.2)	4 (6.0)	4 (6.0)	11 (4.2)	*
[illegible]	102 (12.0)	68 (8.0)	75 (14.5)	57 (11.0)	31 (16.3)	31 (16.3)	44 (13.4)	26 (7.9)	27 (8.1)	11 (3.3)	9 (13.4)	9 (13.4)	18 (6.8)	2 (0.8)
[illegible]	127 (14.9)	76 (9.2)	74 (14.3)	54 (10.4)	22 (11.6)	22 (11.6)	52 (15.9)	32 (9.8)	53 (16.0)	24 (7.2)	13 (19.4)	13 (19.4)	40 (15.1)	11 (4.2)
[illegible]	372 (43.8)	559 (65.8)	173 (33.4)	285 (54.6)	34 (17.9)	34 (17.9)	139 (42.4)	249 (75.9)	199 (59.9)	275 (82.8)	26 (38.8)	26 (38.8)	173 (65.3)	199 (74.0)
Decrease														
[illegible]	-478.73	-1379.56	-572.55	-1,097.02	-365.17	-369.07	-692.69	-1,518.70	-844.34	-1,820.38	-615.79	-615.79	-902.63	-2,325.44

1/ SEI change figures could not be computed for initially rejected applicants since rejected applicants are not assigned an SEI. Therefore, since initially rejected applicants' initial SEI was considered to be missing, they are included among the missing cases for the table.

Total cases: 1025 (applicants who filed initial regular and final supplemental 1975-76 application)

Cases included in table: 850

Missing cases: 175 (including initially rejected applicants)

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TABLE A.5: MAGNITUDE OF EFFECTIVE SEI CHANGE BETWEEN REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS FILED IN 1975-76, BY DEPENDENCY STATUS AND SUPPLEMENTAL REASON

			Death of Parent/Spouse			Parent/Spouse Unemployed		
	Effective SEI Change	Total (% of Column)	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)
	Total	848 (100.0)	40 (100.0)	39 (100.0)	1 (100.0)	424 (100.0)	372 (100.0)	52 (100.0)
Increase	800+	1 (0.1)	*	*	*	*	*	*
	601-800	1 (0.1)	*	*	*	1 (0.2)	1 (0.3)	*
	401-600	1 (0.1)	*	*	*	*	*	*
	201-400	4 (0.5)	*	*	*	*	*	*
	1-200	23 (2.7)	1 (2.5)	1 (2.6)	*	16 (3.9)	16 (4.3)	*
	0	12 (1.4)	4 (10.0)	4 (10.3)	*	5 (1.2)	5 (1.3)	*
Decrease	1-200	121 (14.3)	4 (10.0)	3 (7.7)	1 (100.0)	72 (17.0)	67 (18.0)	5 (9.6)
	201-400	85 (10.0)	6 (15.0)	6 (15.4)	*	54 (12.8)	53 (14.2)	1 (1.9)
	401-600	102 (12.0)	10 (25.0)	10 (25.6)	*	56 (13.2)	52 (14.0)	4 (7.7)
	601-800	127 (15.0)	2 (5.0)	2 (5.1)	*	68 (16.0)	59 (15.9)	9 (17.3)
	800+	371 (43.8)	13 (32.5)	13 (33.3)	*	152 (35.9)	119 (32.0)	33 (63.5)
	Mean SEI Change	-678.71	-528.47	-541.56	-18.00	-608.31	-570.25	-880.56

Total cases: 1025 (applicants who filed initial regular and final supplemental 1975-76 application)

Cases included in table: 848

Missing cases: 177 (including initially rejected applicants)

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TABLE A.5: (continued)

Applicants' Parents/Applicant and Spouse Separated/Divorced				Disaster/Disability		Applicant Unemployed
Total (% of Column)	Dependent (% of Column)	Independent (% of Column)	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)	Independent (% of Column)
50 (100.0)	33 (100.0)	17 (100.0)	95 (100.0)	73 (100.0)	22 (100.0)	239 (100.0)
•	•	•	1 (1.0)	1 (1.4)	•	•
•	•	•	•	•	•	•
•	•	•	•	•	•	1 (0.4)
•	•	•	2 (2.1)	2 (2.7)	•	2 (0.8)
2 (4.0)	1 (3.0)	1 (5.9)	3 (3.2)	3 (4.1)	•	1 (0.4)
•	•	•	2 (2.1)	2 (2.7)	•	1 (0.4)
4 (8.0)	4 (12.1)	•	17 (17.9)	15 (20.5)	2 (9.1)	24 (10.0)
3 (6.0)	3 (9.1)	•	9 (9.5)	8 (11.0)	1 (4.5)	13 (5.4)
3 (6.0)	1 (3.0)	2 (11.8)	14 (14.8)	12 (16.4)	2 (9.1)	19 (7.9)
5 (10.0)	4 (12.1)	1 (5.9)	12 (12.6)	9 (12.3)	3 (13.6)	40 (16.7)
33 (66.0)	20 (60.6)	13 (76.5)	35 (36.8)	21 (28.8)	14 (63.6)	138 (57.7)
-830.94	-755.67	-976.76	-604.25	-322.92	-874.14	-827.44

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TABLE A.6: MAGNITUDE OF ABSOLUTE SEI CHANGES BETWEEN REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS FILED IN 1975-76, BY INITIAL SEI AND DEPENDENCY STATUS

		INITIAL SEI: TOTAL SAMPLE						
	Absolute SEI Change	Total (% of Column)	0 (% of Column)	1-200 (% of Column)	201-400 (% of Column)	401-600 (% of Column)	601-800 (% of Column)	800+ (% of Column)
	Total	850 (100.0)	10 (100.0)	21 (100.0)	22 (100.0)	31 (100.0)	42 (100.0)	724 (100.0)
Increase	800+	1 (0.1)	*	1 (4.8)	*	*	*	*
	601-800	1 (0.1)	*	*	*	1 (3.2)	*	*
	401-600	1 (0.1)	*	*	*	1 (3.2)	*	*
	201-400	4 (0.5)	1 (10.0)	*	1 (4.5)	1 (3.2)	1 (2.4)	*
	1-200	23 (2.7)	2 (20.0)	5 (23.8)	5 (22.7)	2 (6.5)	4 (9.5)	5 (0.7)
	0	12 (1.4)	7 (70.0)	1 (4.8)	1 (4.5)	*	*	3 (0.4)
Decrease	1-200	59 (6.9)	*	14 (66.7)	5 (22.7)	11 (35.5)	6 (14.3)	23 (3.2)
	201-400	45 (5.3)	*	*	10 (45.5)	6 (19.4)	6 (14.3)	23 (3.2)
	401-600	68 (8.0)	*	*	*	9 (29.0)	11 (26.2)	48 (6.6)
	601-800	78 (9.2)	*	*	*	*	14 (33.3)	64 (8.8)
	800+	558 (65.6)	*	*	*	*	*	558 (77.1)
	Mean SEI Change	-1,379.56	31.10	-0.90	-102.73	-191.74	-395.57	-1,585.77

Total cases: 1025 (applicants who filed initial regular and final supplemental 1975-76 applications)
Case included in table: 850
Missing cases: 175 (including initially rejected applicants)

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TABLE A.6: (continued)

Absolute SEI Change		Total (% of Column)	INITIAL SEI: DEPENDENT STUDENTS 0 (% of Column)	1-200 (% of Column)	201-400 (% of Column)	401-600 (% of Column)	601-800 (% of Column)	800+ (% of Column)
	Total	518 (100.0)	8 (100.0)	16 (100.0)	20 (100.0)	26 (100.0)	32 (100.0)	416 (100.0)
Increase	800+	1 (0.2)	*	1 (6.3)	*	*	*	*
	601-800	1 (0.2)	*	*	*	1 (3.8)	*	*
	401-600	*	*	*	*	*	*	*
	201-400	2 (0.4)	*	*	1 (5.0)	1 (3.8)	*	*
	1-200	21 (4.1)	2 (25.0)	4 (25.0)	5 (25.0)	2 (7.7)	4 (12.5)	4 (1.0)
	0	11 (2.1)	6 (75.0)	1 (6.3)	1 (5.0)	*	*	3 (0.7)
Decrease	1-200	47 (9.1)	*	10 (62.5)	5 (25.0)	9 (34.6)	6 (18.8)	17 (4.1)
	201-400	41 (7.9)	*	*	8 (40.0)	6 (23.1)	5 (15.6)	22 (5.3)
	401-600	57 (11.0)	*	*	*	7 (26.9)	8 (25.0)	42 (10.1)
	601-800	54 (10.4)	*	*	*	*	9 (28.1)	45 (10.8)
	800+	283 (54.6)	*	*	*	*	*	283 (68.0)
Mean SEI Change		-1097.02	13.00	23.75	-81.00	-198.92	-369.25	-1322.44

Total cases: 647 (dependent applicants who filed initial regular and final supplemental 1975-76 applications)

Cases included in table: 518

Missing cases: 129 (including initially rejected dependent applicants)

TABLE A.6: (continued)

Absolute SEI Change	Total (% of Column)	0 (% of Column)	1-200 (% of Column)	201-400 (% of Column)	401-600 (% of Column)	601-800 (% of Column)	800+ (% of Column)
			INITIAL SEI: INDEPENDENT STUDENTS				
Total	332 (100.0)	2 (100.0)	5 (100.0)	2 (100.0)	5 (100.0)	10 (100.0)	308 (100.0)
Increase 800+	*	*	*	*	*	*	*
Increase 601-800	*	*	*	*	*	*	*
Increase 401-600	1 (0.3)	*	*	*	1 (20.0)	*	*
Increase 201-400	2 (0.6)	1 (50.0)	*	*	*	1 (10.0)	*
Increase 1-200	2 (0.6)	*	1 (20.0)	*	*	*	1 (0.3)
0	1 (0.3)	1 (50.0)	*	*	*	*	*
Decrease 1-200	12 (3.6)	*	4 (80.0)	*	2 (40.0)	*	6 (1.9)
Decrease 201-400	4 (1.2)	*	*	2 (100.0)	*	1 (10.0)	1 (0.3)
Decrease 401-600	11 (3.3)	*	*	*	2 (40.0)	3 (30.0)	6 (1.9)
Decrease 601-800	24 (7.2)	*	*	*	*	5 (50.0)	19 (6.2)
Decrease 800+	275 (82.8)	*	*	*	*	*	275 (89.3)
Mean SEI Change	-1,820.38	103.50	-79.80	-320.00	-154.40	-479.80	-1,941.44

Total cases: 378 (independent applicants who filed initial regular and final supplemental 1975-76 applications)

Cases included in table: 332

Missing cases: 46 (including initially rejected independent applicants)

TABLE A.7: INTERVAL BETWEEN PROCESSING DATES OF 1975-76 INITIAL REGULAR AND FINAL SUPPLEMENTAL APPLICATIONS, BY SUPPLEMENTAL REASON AND INITIAL ELIGIBILITY

	Supplemental Reasons: Total Sample					
Processing Date Interval	Total (% of Column)	Death Of Parent/Spouse (% of Column)	Parent/Spouse Unemployed (% of Column)	Separation/ Divorce (% of Column)	Disaster/ Disability (% of Column)	Applicant Unemployed (% of Column)
Total	1021 (100.0)	122 (100.0)	470 (100.0)	55 (100.0)	99 (100.0)	275 (100.0)
1-4 weeks	35 (3.5)	3 (2.4)	15 (3.2)	1 (1.8)	1 (1.0)	15 (5.5)
5-6 weeks	80 (7.8)	5 (4.1)	36 (7.7)	1 (1.8)	8 (8.1)	30 (10.9)
7-8 weeks	124 (12.1)	11 (9.0)	53 (11.3)	4 (7.3)	14 (14.1)	42 (15.3)
9-12 weeks	204 (20.0)	35 (28.7)	86 (18.3)	10 (18.2)	15 (15.2)	58 (21.1)
13-16 weeks	160 (15.7)	27 (22.1)	72 (15.3)	7 (12.7)	13 (13.1)	41 (14.9)
Over 16 weeks	418 (40.9)	41 (33.6)	208 (44.3)	32 (58.2)	48 (48.5)	89 (32.4)
Mean Processing Interval (Weeks)	16.8	16.4	17.0	20.4	19.5	15.0

Total cases: 1025

Cases included in table: 1021

Missing cases: 4

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TABLE A.7: (continued)

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Supplemental Reasons: Initially Eligible Applicants

Processing Date Interval	Total (% of Column)	Death Of Parent/Spouse (% of Column)	Parent/Spouse Unemployed (% of Column)	Separation/ Divorce (% of Column)	Disaster/ Disability (% of Column)	Applicant Unemployed (% of Column)
Total	256 (100.0)	21 (100.0)	139 (100.0)	11 (100.0)	38 (100.0)	47 (100.0)
1-4 weeks	12 (4.7)	1 (4.8)	4 (2.9)	1 (9.1)	1 (2.6)	5 (10.7)
5-6 weeks	25 (9.8)	1 (4.8)	13 (9.4)	*	4 (10.5)	7 (14.9)
7-8 weeks	27 (10.5)	2 (9.5)	12 (8.6)	*	5 (13.2)	8 (17.0)
9-12 weeks	40 (15.6)	3 (14.3)	26 (18.7)	*	4 (10.5)	5 (10.6)
13-16 weeks	36 (14.1)	3 (14.3)	21 (15.1)	*	7 (18.4)	5 (10.6)
Over 16 weeks	116 (45.3)	11 (52.4)	63 (45.3)	10 (90.9)	17 (44.7)	15 (31.9)
Mean Processing Interval (weeks)	17.8	20.4	17.6	26.0	19.4	13.9

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TABLE A.7: (continued)

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Supplemental Reasons: Initially Ineligible Applicants

Processing Date Interval	Total (% of Column)	Death Of Parent/Spouse (% of Column)	Parent/Spouse Unemployed (% of Column)	Separation/ Divorce (% of Column)	Disaster/ Disability (% of Column)	Applicant Unemployed (% of Column)
Total	501 (100.0)	19 (100.0)	284 (100.0)	39 (100.0)	56 (100.0)	193 (100.0)
1-4 weeks	18 (3.6)	1 (5.1)	9 (3.2)	*	*	8 (4.1)
5-6 weeks	49 (8.3)	*	21 (7.4)	1 (2.6)	4 (7.1)	23 (11.9)
7-8 weeks	64 (14.2)	1 (5.3)	40 (14.1)	4 (10.3)	9 (16.1)	30 (15.5)
9-12 weeks	115 (19.4)	5 (26.3)	51 (17.9)	9 (23.1)	10 (17.9)	40 (20.7)
13-16 weeks	89 (15.0)	4 (21.1)	43 (15.1)	5 (12.8)	6 (10.7)	31 (16.1)
Over 16 weeks	236 (39.9)	8 (42.1)	120 (42.2)	20 (51.3)	27 (48.2)	61 (31.6)
Mean Processing Interval (weeks)	16.6	19.7	16.7	19.4	18.8	15.1

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TABLE A.7: (continued)

Processing Date Interval	Total (% of Column)	Death Parent/Spouse (% of Column)	Parent/Spouse Unemployed (% of Column)	Separation/ Divorce (% of Column)	Disaster/ Disability (% of Column)	Applicant Unemployed (% of Column)
	Supplemental Reasons: Initially Rejected Applicants					
Total	174 (100.0)	82 (100.0)	47 (100.0)	5 (100.0)	5 (100.0)	35 (100.0)
1-4 weeks	5 (2.9)	1 (1.2)	2 (4.3)	*	*	2 (15.7)
5-6 weeks	6 (3.4)	4 (4.9)	2 (4.3)	*	*	*
7-8 weeks	13 (7.5)	8 (9.7)	1 (2.1)	*	*	4 (11.4)
9-12 weeks	49 (28.2)	27 (32.9)	9 (19.1)	1 (20.0)	1 (20.0)	11 (31.4)
13-16 weeks	35 (20.1)	20 (24.4)	8 (17.0)	2 (40.0)	*	5 (14.3)
Over 16 weeks	66 (37.9)	22 (26.8)	25 (53.2)	2 (40.0)	4 (80.0)	13 (37.1)
Mean Processing Interval (weeks)	16.2	14.6	17.6	16.3	28.0	16.3

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TABLE A.8: MAGNITUDE OF AGI AND SEI CHANGES[1/] AS A FUNCTION OF INTERVAL BETWEEN PROCESSING DATES OF 1975-76 REGULAR AND SUPPLEMENTAL BASIC GRANT APPLICATIONS, BY SUPPLEMENTAL REASON

	Supplemental Reasons											
	Total		Death Of Parent Or Spouse		Parent/Spouse Unemployed		Separation/Divorce		Disaster/Disability		Applicant Unemployed	
Processing Date Interval	AGI Change	SEI Change	AGI Change	SEI Change	AGI Change	SEI Change	AGI Change	SEI Change	AGI Change	SEI Change	AGI Change	SEI Change
Total	-$5,197.18 (n = 976)	-678.03 (n = 847)	-$4,517.04 (n = 108)	-528.48 (n = 40)	-$5,874.67 (n = 455)	-606.92 (n = 423)	-$7,706.29 (n = 51)	-830.84 (n = 50)	-$4,689.32 (n = 95)	-605.42 (n = 94)	-$4,[illegible] (n = [illegible])	[illegible] (n = [illegible])
1-4 weeks	-$5,760.37 (n = 551)	-714.07 (n = 50)	-$12,255.67 (n = 3)	-798.00 (n = 2)	-$6,664.80 (n = 15)	-582.38 (n = 13)	-$5,219.00 (n = 1)	-586.00 (n = 1)	-$7,936.00 (n = 1)	-1010.00 (n = 1)	-$7,[illegible] (n = [illegible])	[illegible] (n = [illegible])
5-6 weeks	-$5,000.46 (n = 78)	-620.24 (n = 74)	-$5,008.80 (n = 5)	-342.00 (n = 1)	-$6,543.14 (n = 35)	-588.06 (n = 34)	-$13,057.00 (n = 1)	-1134.00 (n = 1)	-$1,751.57 (n = 7)	-361.25 (n = 8)	-$3,[illegible] (n = [illegible])	[illegible] (n = [illegible])
7-8 weeks	-$5,250.49 (n = 121)	-672.05 (n = 111)	-$2,475.82 (n = 11)	-6.33 (n = 3)	-$7,325.54 (n = 52)	-645.38 (n = 52)	-$9,845.50 (n = 4)	-830.25 (n = 4)	-$2,826.23 (n = 13)	-370.79 (n = 14)	-$3,[illegible] (n = [illegible])	-855.[illegible] (n = [illegible])
9-12 weeks	-$5,533.66 (n = 191)	-742.75 (n = 155)	-$4,952.40 (n = 30)	-808.50 (n = 8)	-$6,252.26 (n = 83)	-664.08 (n = 77)	-$8,509.56 (n = 9)	-930.56 (n = 9)	-$4,572.28 (n = 14)	-764.71 (n = 14)	-$2,[illegible] (n = [illegible])	[illegible] (n = [illegible])
13-16 weeks	-$5,150.76 (n = 152)	-738.25 (n = 125)	-$5,074.52 (n = 23)	-535.57 (n = 7)	-$5,336.38 (n = 70)	-623.44 (n = 64)	-$7,189.00 (n = 7)	-1127.80 (n = 5)	-$6,167.62 (n = 13)	-702.28 (n = 13)	-$3,[illegible] (n = [illegible])	[illegible] (n = [illegible])
over 16 weeks	-$5,020.07 (n = 369)	-639.11 (n = 352)	-$3,708.58 (n = 36)	-471.84 (n = 19)	-$5,387.90 (n = 200)	-571.40 (n = 183)	-$7,188.07 (n = 29)	-749.57 (n = 30)	-$5,199.06 (n = 47)	-635.07 (n = 44)	-$7,[illegible] (n = [illegible])	-[illegible] (n = [illegible])

1/ Effective SEI change.

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TABLE A.9: MAGNITUDE OF AGI AND SEI[1/] CHANGES AS A FUNCTION OF INTERVAL BETWEEN PROCESSING DATES OF 1975-76 REGULAR AND SUPPLEMENTAL APPLICATIONS, BY INITIAL ELIGIBILITY

Processing Date Interval	Total		Initially Eligible		Initially Ineligible		Initially Rejected[2/]
	AGI Change	SEI Change	AGI Change	SEI Change	AGI Change	SEI Change	AGI Change
Total	-$5,197.18 (n = 976)	-678.03 (n = 847)	-$3,452.55 (n = 248)	-429.73 (n = 256)	-$6,293.01 (n = 570)	-785.58 (n = 591)	-$3,932.25 (n = 158)
1-4 weeks	-$5,760.37 (n = 35)	-714.07 (n = 30)	-$3,794.00 (n = 12)	-424.08 (n = 12)	-$7,532.11 (n = 18)	-907.39 (n = 18)	-$4,101.40 (n = 5)
5-6 weeks	-$5,000.46 (n = 78)	-620.24 (n = 74)	-$2,851.48 (n = 25)	-300.68 (n = 25)	-$6,135.04 (n = 47)	-783.28 (n = 49)	-$5,067.00 (n = 6)
7-8 weeks	-$5,250.49 (n = 121)	-672.05 (n = 111)	-$2,510.27 (n = 26)	-476.44 (n = 27)	-$6,509.21 (n = 82)	-734.93 (n = 84)	-$2,791.31 (n = 13)
9-12 weeks	-$5,533.66 (n = 191)	-742.75 (n = 155)	-$4,505.03 (n = 37)	-477.10 (n = 40)	-$6,417.15 (n = 109)	-835.16 (n = 115)	-$4,239.44 (n = 45)
13-16 weeks	-$5,150.76 (n = 152)	-738.25 (n = 125)	-$2,749.09 (n = 34)	-411.22 (n = 36)	-$6,632.92 (n = 87)	-870.53 (n = 89)	-$3,625.26 (n = 31)
Over 16 weeks	-$5,026.67 (n = 399)	-639.11 (n = 352)	-$3,631.54 (n = 114)	-436.67 (n = 116)	-$5,959.48 (n = 227)	-738.61 (n = 236)	-$4,117.96 (n = 58)

[1/] Effective SEI change.

[2/] Rejected applicants do not receive an SEI

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TABLE A.10: AGI CHANGE BETWEEN 1975-76 SUPPLEMENTAL APPLICATIONS AND FIRST 1976-77 REGULAR BASIC GRANT APPLICATIONS, BY DEPENDENCY STATUS

	AGI Change	Total (% of Column)	Dependent (% of Column)	Independent (% of Column)
	Total	1338 (100.0)	862 (100.0)	476 (100.0)
Increase ▲	$15,000+	2 (0.1)	2 (0.2)	*
	$12,001-$15,000	10 (0.7)	9 (1.0)	1 (0.2)
	$10,001-$12,000	11 (0.8)	11 (1.3)	*
	$ 7,501-$10,000	21 (1.6)	18 (2.1)	3 (0.6)
	$ 4,001-$7,500	105 (7.8)	87 (10.1)	18 (3.8)
	$ 1,501-$4,000	227 (17.0)	176 (20.4)	51 (10.7)
	$1-$1,500	350 (26.2)	191 (22.2)	159 (33.4)
	0	161 (12.0)	56 (6.5)	105 (22.1)
Decrease ▼	$1-$1,500	190 (14.2)	105 (12.2)	85 (17.9)
	$ 1,501-$4,000	137 (10.2)	103 (11.9)	34 (7.1)
	$ 4,001-$7,500	90 (6.7)	72 (8.4)	18 (3.8)
	$7,501-$10,000	24 (1.8)	23 (2.7)	1 (0.2)
	$10,001-$12,000	7 (0.5)	6 (0.7)	1 (0.2)
	$12,001-$15,000	3 (0.2)	3 (0.3)	*
	$15,000+	*	*	*
	Mean AGI Change	$435.19	$571.30	$188.70

Total cases: 1416 (applicants who filed 1975-76 supplemental application and 1976-77 regular application)

Cases included in table: 1338

Missing cases: 78

TABLE A.11: AGI CHANGE BETWEEN TWO OR MORE SUPPLEMENTAL APPLICATIONS FILED BY THE SAME INDIVIDUAL IN SUBSEQUENT YEARS (1975-76 and 1976-77), BY DEPENDENCY STATUS

AGI Change		Total (% of Column)	Dependent (% of Column)	Independent (% of Column)
Total		190 (100.0)	127 (100.0)	63 (100.0)
Increase >	$15,000+	*	*	*
	$12,001 - $15,000	*	*	*
	$10,001 - $12,000	1 (0.5)	1 (0.8)	*
	$ 7,501 - $10,000	5 (2.6)	5 (3.9)	*
	$ 4,001 - $ 7,500	5 (2.6)	4 (3.1)	1 (1.6)
	$ 1,501 - $ 4,000	18 (9.5)	14 (11.0)	4 (6.3)
	$ 1 - $ 1,500	29 (15.3)	21 (16.5)	8 (12.7)
	0	10 (5.3)	9 (7.1)	1 (1.6)
Decrease <	$ 1 - $ 1,500	31 (16.3)	17 (13.4)	14 (22.2)
	$ 1,501 - $ 4,000	36 (18.9)	15 (11.8)	21 (33.3)
	$ 4,001 - $ 7,500	38 (20.0)	27 (21.3)	11 (17.5)
	$ 7,501 - $10,000	7 (3.7)	5 (3.9)	2 (3.2)
	$10,001 - $12,000	4 (2.1)	3 (2.4)	1 (1.6)
	$12,001 - $15,000	5 (2.6)	5 (3.9)	*
	$15,000+	1 (0.5)	1 (0.8)	*
Mean AGI Change		-$1,929.35	-$1,851.86	-$2,085.57

Total Cases: 213 (Applicants who filed 1975-76 Supplemental and 1976-77 Supplemental)
Cases included in table: 190
Missing cases: 23

TABLE A.12: SEI CHANGE BETWEEN TWO SUPPLEMENTAL APPLICATIONS FILED BY THE SAME INDIVIDUAL IN SUBSEQUENT YEARS (1975-76 and 1976-77), BY DEPENDENCY STATUS

		Total		Dependent Students		Independent Students	
	SEI Change	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)	Absolute Change (% of Column)	Effective Change (% of Column)
	Total	168 (100.0)	168 (100.0)	120 (100.0)	120 (100.0)	48 (100.0)	48 (100.0)
Increase	800+	30 (17.9)	14 (8.3)	22 (18.3)	11 (9.2)	8 (16.7)	3 (6.3)
	601 - 800	7 (4.2)	8 (4.8)	5 (4.2)	4 (3.3)	2 (4.2)	4 (8.3)
	401 - 600	5 (3.0)	7 (4.2)	4 (3.3)	6 (5.0)	(2.1)	(2.1)
	201 - 400	22 (13.1)	27 (16.1)	17 (14.2)	21 (17.5)	5 (10.4)	6 (12.5)
	1 - 200	22 (13.1)	29 (17.3)	18 (15.0)	23 (19.2)	4 (8.3)	6 (12.5)
	0	18 (10.7)	19 (11.3)	11 (9.2)	12 (10.0)	7 (14.6)	7 (14.6)
Decrease	1 - 200	17 (10.1)	17 (10.1)	13 (10.8)	13 (10.8)	4 (8.3)	4 (8.3)
	201 - 400	12 (7.1)	12 (7.1)	8 (6.7)	8 (6.7)	4 (8.3)	4 (8.3)
	401 - 600	17 (10.1)	17 (10.1)	11 (9.2)	11 (9.2)	6 (12.5)	6 (12.5)
	601 - 800	4 (2.4)	4 (2.4)	3 (2.5)	3 (2.5)	1 (2.1)	1 (2.1)
	800+	14 (8.3)	14 (8.3)	8 (6.7)	8 (6.7)	7 (12.5)	6 (12.5)
	Mean SEI Change	228.71	19.23	291.78	44.18	71.04	43.17

Total cases: 213 (Applicants who filed 1975-76 Supplemental and 1976-77 Supplemental)
Cases included in table: 168
Missing cases: 45

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